

1 **Q. PUB-NLH-001 from the 2022 Capital Budget Application**

2 Please update Hydro’s response to PUB-NLH-001 (a) and (b) of its 2022 Capital Budget
 3 Application including 2022 supplemental applications previously approved by the Board,
 4 currently before the Board and anticipated to be filed with the Board.

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7 A. (a) The updated total projected capital expenditures for 2022, including supplemental capital
 8 budget applications previously approved by the Board of Commissioners of Public Utilities
 9 (“Board”), currently before the Board, or anticipated to be filed with the Board are
 10 summarized in Table 1. This information will also be reflected in the Five-Year Capital Plan
 11 (2023–2027) to be filed with Newfoundland and Labrador Hydro’s (“Hydro”) 2023 Capital
 12 Budget Application (“CBA”).¹

Table 1: Total 2022 Projected Capital Expenditures (\$ millions)

Item	2022 Cost Estimate
Approved 2022 CBA	84.2 ²
2022 Supplemental Applications Approved by the Board	14.5 ³
2022 Supplemental Applications Before the Board	16.8
2022 Supplemental Application Anticipated to be Filed	3.3
Total	118.8

13 (b) Hydro’s planned and anticipated supplemental applications with expenditures in 2022 are
 14 summarized for ease of reference in Table 2. While Table 2 includes all known supplemental
 15 applications at this time, other additional supplemental applications may arise through to
 16 the end of 2022.

¹ Scheduled to be filed on July 14, 2023.

² On November 19, 2021, Hydro requested the Board defer its decision on the approval of the Mary’s Harbour Voltage Conversion project, removing \$550,600 from the original budget submission of \$84.7 million

³ Included in this amount is \$12.3 million for the Valentine Gold Interconnection expenditure. This amount is a fully contributed, specifically-assigned investment. Approved as per *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 27(2021), Board of Commissioners of Public Utilities, August 18, 2021.

Table 2: Planned and Anticipated Supplemental Applications with 2022 Expenditures (\$ millions)

Project	Total Cost Estimate	2022 Cost Estimate	Status
Valentine Gold Interconnection (Fully Contributed)	15.8	12.3	Approved ⁴
Replace Unit 2047 – Ramea	2.4	2.0	Approved ⁵
Makkovik Diesel Generating Station Roof Replacement	0.6	0.2	Approved ⁶
Mary's Harbour Diesel Engine Replacement	0.1	0.0	Approved ⁷
Supplemental Applications Approved by the Board	18.9	14.5	
Long-Term Supply for Southern Labrador – Phase 1	49.9	15.8	Application Filed July 16, 2021
Upper Salmon Hydroelectric Generating Station Rotor Rim Shrink and Stator Recentering	4.0	1.0	Application Filed April 26, 2022
Holyrood Thermal Generating Station Unit 1 and Unit 2 Turbine Last Stage Blades	1.6	0.0	Application Filed April 26, 2022
Supplemental Applications Before the Board	55.5	16.8	
Penstock Life Extension – Phase 1	52.8 ⁸	1.9	Anticipated Filing Q3 2022
Holyrood Fuel Tank #2 Inspection and Refurbishment	4.7	0.2	Anticipated Filing May 2022
Holyrood Tank Farm Underground Firewater System Replacement	1.4	0.1	Anticipated Filing May 2022
Holyrood Replace Unit Speed Governor System	0.7	0.2	Anticipated Filing May 2022
Holyrood Stack Inspection and Refurbishment	0.4	0.4	Anticipated Filing May 2022
Holyrood Inspect and Refurbish Day Tank	0.8	0.1	Anticipated Filing May 2022
Hampden Modify System to Accommodate New Customer Service (CIAC) ^{9,10}	0.4	0.4	Anticipated Filing May 2022
McCallum Wharf and Fuel Delivery Upgrade ¹¹	TBD	TBD	Under Development
Anaconda Mine Distribution Line Relocation (CIAC) ¹²	TBD	TBD	Under Development and Subject to Customer Acceptance
Anticipated Supplemental Applications¹³	61.2	3.3	
Total Known and Anticipated 2022 Supplemental Applications	135.6	34.6	

⁴ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 27(2021), Board of Commissioners of Public Utilities, August 18, 2021.

⁵ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 28(2021), Board of Commissioners of Public Utilities, August 20, 2021.

⁶ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 12(2022), Board of Commissioners of Public Utilities, April 22, 2022.

⁷ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 14(2022), Board of Commissioners of Public Utilities, May 3, 2022.

⁸ The Five-Year Capital Plan (2022–2026) includes expenditures for both Phase 1 and Phase 2 of the Bay d'Espoir Penstock Life Extension work, which totals \$63 million. Table 2 lists only the Phase 1 expenditures (\$52.8 million) as it is anticipated that Phase 1 will be submitted as a 2022 supplemental capital application. Phase 2 is expected to be submitted separately as part of a future CBA.

⁹ Contribution in aid of construction ("CIAC").

¹⁰ To be fully contributed by customer.

¹¹ The Government of Newfoundland and Labrador has recently informed Hydro of its intention to condemn the provincially-owned wharf, which is utilized for fuel and equipment delivery to the McCallum Diesel Generating Station. Hydro is working to identify alternatives to sustain operation of the facility. Should Hydro identify capital requirements in 2022, Hydro will file a supplemental application. Hydro is unable to estimate a cost of this work until alternatives are identified.

¹² Pending customer acceptance.

¹³ Estimates for supplemental applications not yet filed with the Board are subject to change; however, Hydro anticipates any such changes would be marginal.

1 As noted in its 2022 Capital Budget Overview,¹⁴ Hydro is currently assessing the life-extension
2 requirements of the Bay d'Espoir penstocks. Following completion of front-end engineering
3 design work, Hydro will confirm the timing and magnitude of work required and present an
4 application outlining the proposed project strategy and cost to the Board for review and
5 approval.

6 In its "Reliability and Resource Adequacy Study 2020 Update,"¹⁵ Hydro provided a list of
7 Holyrood TGS projects for consideration in the event of extension of generation operation of the
8 Holyrood TGS until March 31, 2024. Hydro notified the Board of such extension in February
9 2022.¹⁶ Hydro considered this list of projects along with the findings of the "HTGS Condition
10 Assessment and Life Extension Study."¹⁷ Those projects deemed necessary to support reliable
11 operation of the Holyrood TGS as a generating facility until March 31, 2024 are included in Table
12 2. Should Hydro determine through its ongoing Reliability and Resource Adequacy Study that
13 further extension of the Holyrood TGS as a generating facility is required, Hydro may require
14 additional supplemental capital investment to support reliable operation of the facility.

15 Finally, as noted in Hydro's recent "Supply Cost Accounting Application," Hydro anticipates filing
16 an application in the near term to approve the purchase of the Exploits assets from the
17 Government of Newfoundland and Labrador.¹⁸ However, as the timing and details for such an
18 application have not yet been confirmed, this item is not included in Table 2 or in Hydro's Five-
19 Year Capital Plan (2022–2026).¹⁹

¹⁴ "2022 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 1.

¹⁵ "Reliability and Resource Adequacy Study 2020 Update," Newfoundland and Labrador Hydro, November 18, 2020.

¹⁶ "Reliability and Resource Adequacy Study Review – Additional Considerations of the Labrador-Island Link Reliability Assessment and Outcomes of the Failure Investigation Findings – Additional Information," Newfoundland and Labrador Hydro, February 4, 2022, p. 7.

¹⁷ "HTGS Condition Assessment and Life Extension Study," Hatch Ltd., March 30, 2022, vol. I and vol. II.

¹⁸ "Supply Cost Accounting Application," Newfoundland and Labrador Hydro, July 29, 2021, sch. 1, p. 20/6–7.

¹⁹ "2022 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. I, sch. 2.