

1 Q. **Reference: Schedule 1 2024 Capital Budget Overview, Page 6, lines 3–12**

2 Please provide a summary of Hydro’s asset management system, including how identified
3 deficiencies are reported and scheduled for correction.

4

5

6 A. Consistent with ISO 55000 asset management principles, Newfoundland and Labrador Hydro's
7 (“Hydro”) asset management system is a cross-disciplinary system that consists of all processes
8 and practices that Hydro undertakes to manage cost, risk, and performance optimization and to
9 make decisions to maximize the value of its assets. It includes all activities undertaken to realize
10 that value throughout the life cycle of an asset, including but not limited to organizational
11 structure, financial systems, management systems, and Hydro’s asset maintenance practices.

12 As it relates to the maintenance of physical assets, once a deficiency is identified, Hydro’s
13 operations and asset management teams determine the corrective actions required; for
14 corrective actions that are operating in nature, a work order is created. Work orders undergo a
15 gating and prioritization process before being scheduled and assigned for corrective actions. For
16 corrective actions that are capital in nature, Hydro’s long-term asset management teams
17 perform a risk-based assessment to determine the criticality of corrective action. The long-term
18 asset management teams then work with Hydro’s capital planning team to schedule capital
19 work. This may range from immediate action through Hydro’s in-service failure programs to
20 inclusion in a future year of Hydro’s capital plan, depending on the nature of the deficiency and
21 the analysis required prior to proposing a capital project.