

1 Q. Has Hydro completed a condition assessment of the overall condition of the Bay d’Espoir  
2 Generating Plan and prepared a short and long-term plan to maintain the plant? Please explain  
3 Hydro’s asset management plan for this plant.

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6 A. Newfoundland and Labrador Hydro (“Hydro”) has not completed an assessment encompassing  
7 all assets for the Bay d’Espoir Hydroelectric Generating Facility but has rather completed  
8 numerous Level 1<sup>1</sup> and Level 2<sup>2</sup> Condition Assessments on individual pieces of generating assets.  
9 Level 1 and Level 2 assessments are identified for execution based on asset age, health records,  
10 and current operational condition. The reasoning for this philosophy is based on the complex  
11 nature of the assets, the availability of industry standards, the significant number of assets that  
12 comprise the generation facility, and the requirement for continuous development and  
13 improvement of an established asset plan.

14 Hydro notes past overview assessments of its hydraulic structures have not generally provided  
15 the level of detail required to make asset management decisions. Rather than providing specific  
16 details on asset health for an individual piece of equipment, an overview assessment will  
17 generalize asset condition based on area. As such, Hydro finds the current approach of  
18 identifying and executing condition assessments more effective and efficient in its capital  
19 planning process. Short-term plans (5-year) and long-term (20-year) plans are developed,  
20 matured, and maintained by Hydro’s Hydraulic Production Long-Term Asset Planning group,  
21 using criticality rankings to prioritize assets and associated projects for life extension activities.

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<sup>1</sup> A Level 1 Condition Assessment includes a walkthrough, visual, external inspection providing sufficient detail by the assessor to clearly define the work required to address identified deficiencies, to enable an accurate cost estimate to be made and a clear description to be provided of the scope of the restoration/repairs/replacement/removal for the work to be done.

<sup>2</sup> A Level 2 Condition Assessment is undertaken by a professional or certified specialist having the knowledge, skill, and experience in the design, construction, and operation of the facility type and may require knowledge and use of specialized equipment in the assessment of the facility. Level II Condition Assessments are a much more thorough assessment than a Level I Assessment and often involve the dismantling of the equipment.