

1 Q. **Reference: PUB-NLH-060**

2 Further to the response to PUB-NLH-060, please explain whether Hydro’s approach of looking at  
3 individual components of a large hydro generating facility when considering the need for capital  
4 work and not completing an overall condition assessment for a significant generating facility is  
5 consistent with Canadian utility practice. In Hydro’s opinion would an overall condition  
6 assessment of the Bay d’Espoir plant ever be required?

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9 A. Newfoundland and Labrador Hydro’s (“Hydro”) processes for developing capital plans were  
10 established using common utility practices, identified through technical groups including CEATI,<sup>1</sup>  
11 Electricity Canada and other professional organizations. Hydro uses historical trends and  
12 documentation to adapt industry practices to Hydro’s fleet of assets.<sup>2</sup>

13 It is Hydro’s position that an overall condition assessment of the Bay d’Espoir Hydroelectric  
14 Generating Facility would produce generalized results which could not be applied with precision  
15 to each physical asset. The Bay d’Espoir hydroelectric units are operated in a non-uniform  
16 manner based on a number of factors, including but not limited to, asset health monitoring,  
17 station service supply, and Island generation requirements. The level of detail required to make  
18 asset management decisions on the Bay d’Espoir fleet cannot be provided in an overall  
19 condition assessment unless individual detailed assessments for each physical asset were  
20 carried out, considering asset specific criteria and data. Hydro believes its current approach to  
21 identify and execute condition assessments is the most effective and efficient approach for its  
22 capital planning process.

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<sup>1</sup> Centre for Energy Advancement through Technological Innovation (“CEATI”).

<sup>2</sup> An example of this includes monitoring the start/stop cycles of Hydro generation assets, and comparing against industry recommendations for generator depreciation cycles, to understand if normal life expectancy can be applied to each unit in a similar fashion.