

1 Q. Schedule 1, Page 10, Lines 20-21. The Application states that "The scope to replace the diesel
2 plant is estimated to be \$35.2 million and would include the construction of a new diesel plant
3 building, fuel storage yard, and substation." Please provide a detailed breakdown of the \$35.2
4 million estimate and clarify the Association for the Advancement of Cost Engineering ("ACE")
5 Class of the estimate.

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8 A. Newfoundland and Labrador Hydro's ("Hydro") estimate for the replacement of the Rigolet
9 Diesel Generating Plant was based on cost estimates for the replacement of similarly-sized
10 plants for communities in southern Labrador as prepared for the additional information
11 submission to Midgard Consulting Inc.'s Integrated Resource Plan report filed as part of Hydro's
12 ongoing Long-Term Supply for Southern Labrador proceeding, which was derived utilizing
13 component costs from the Class 3 estimate for the construction of the regional plant.¹ While the
14 estimates used in that report were considered Class 4 estimates, a specific site has not yet been
15 selected for the replacement of the Rigolet Diesel Plant; therefore, Hydro considers the estimate
16 for the replacement of the Rigolet Diesel Plant to be in the range of an Advancement of Cost
17 Engineering Class 5 estimate, or a "screening" level estimate, as is typically used for alternative
18 screening. As this is a high-level screening estimate, Hydro is unable to provide a detailed
19 breakdown.

¹ Newfoundland and Labrador Hydro – 2021 Capital Budget Supplemental Application Approval of the Construction of Hydro's Long-term Supply Plan for Southern Labrador – Revision 1 – Safe and Reliable Power Supply to Charlottetown – Reply," Newfoundland and Labrador Hydro, October 5, 2023, att. 1.