Q. **Reference: Schedule 3, Holyrood Thermal Generating Station Overview – Future Operation and Capital Expenditure Requirements; Schedule 7, Holyrood capital proposals**

Hydro states that the Holyrood TGS is planned to remain fully available through March 31, 2030 and that continuation of Holyrood operations will result in combined fuel, capital and operating costs exceeding $100 million per year. Hydro also states that the availability of Holyrood as meaningful capacity backup by 2031 is becoming increasingly uncertain.

a) Please provide, by year from 2024 through the currently forecast conclusion of generation operations, the actual or forecast cost of maintaining Holyrood available, including: i) fuel costs; ii) sustaining capital expenditures; iii) depreciation on new capital investment; iv) accelerated depreciation; v) Holyrood Accelerated Depreciation Deferral Account impacts; vi) fixed operating and maintenance expenditures; vii) major maintenance and overhaul expenditures; and viii) other material costs.

b) Please provide the cumulative cost to customers of maintaining Holyrood available over that period.

c) Please provide the portion of the cumulative amount in (b) forecast to be borne by residential customers.

d) Please compare the current cumulative cost forecast with the forecast underlying Hydro's original decision to maintain Holyrood through the Bridging Period and explain all material changes.

e) Please identify the amount of new capital investment expected to be placed in service at Holyrood in each of 2027–2030 and the number of months over which each material investment is expected to be depreciated.

f) Please explain whether Hydro has established any cumulative cost, annual expenditure, $/MW-year or other financial threshold at which it would reassess the overall economics of continuing the Bridging Period strategy.

g) If no such threshold exists, please explain how Hydro ensures that a series of individually justified sustaining expenditures does not collectively result in a strategy that is no longer least cost for customers.

h) Please identify the capital expenditures incurred or forecast during 2024–2030 that would not have been required if Holyrood generation operations had concluded prior to the Bridging Period and provide the cumulative capital-related revenue requirement associated with those expenditures.

A. **a)** Forecast costs for 2026–2030 are provided in Table 1. Actual costs for 2024 and 2025 are provided within Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-023 of this proceeding.

Table 1: Holyrood TGS[1] Forecast Costs 2026–2030 ($ Millions)

	2026F	2027F	2028F	2029F	2030F	Total
Capital[2]	30.1	31.2	36.0	31.6	4.1	**133.0**
Fuel[3]	71.0	65.0	67.8	69.8	44.3	**317.9**
Operating[4]	25.1	25.9	26.5	27.2	6.9	**111.6**
Total	**126.2**	**122.1**	**130.3**	**128.6**	**55.3**	**562.5**

Details regarding the operation of the Holyrood TGS Accelerated Depreciation Deferral Account and forecast balances through 2030 are provided as Exhibit 11 of Hydro's 2026 GRA.

b) Please refer to part a).

c) Please refer to Hydro's 2026 GRA for allocation of 2027 Test Year revenue requirement between customer groups.

[1] Holyrood Thermal Generating Station.
[2] Based on Hydro's current capital plan, as shown in Schedule 3 and Schedule 5 of the application, assuming end of generation at Holyrood TGS in 2030.
[3] Fuel costs through 2030 are based on those provided within the 2026 General Rate Application ("GRA"). Estimates are based on a point-in-time forecast and are subject to change, such as in the event of incremental maintenance requirements or changes in operating regime.
[4] Operating costs through 2030 are based on those provided within the 2026 GRA. Estimates are based on a point-in-time forecast and are subject to change, such as in the event of incremental maintenance requirements or changes in operating regime.

d) Please refer to the Life Extension Condition Assessment and Capital Plan Refresh provided in response to CA-NLH-030 for historical capital, operating, and fuel assumptions.

e) Please refer to Schedule 3 of this proceeding for the capital plan for 2027–2030. In-service dates for the projects proposed within the 2027 Capital Budget Application are provided within individual project proposals. Accelerated depreciation will be deferred in accordance with the Holyrood Accelerated Depreciation deferral account definition.

f) Hydro notes that the decision to extend the Holyrood TGS through the Bridging Period was a reliability-driven decision. Please refer to Hydro's response to CA-NLH-028 and CA-NLH-030 for further discussion on the requirement to maintain the Holyrood TGS through the Bridging Period.

g) Please refer to part f).

h) Please refer to part f).