

1 **Q. Reference: Volume II, Stabilize Powerhouse Slope (2027) – Cat Arm**

2 The estimated cost is \$1,729,800. The project is classified as General Plant. The Cat Arm
3 powerhouse has a capacity of 134 MW.

- 4 a) Please identify the provision of the Provisional Capital Budget Application Guidelines on
5 which Hydro relies to classify this work as General Plant rather than as Renewal –
6 Hydraulic Plant.
- 7 b) Please reconcile Hatch’s immediate and short-term recommendations to the 2026
8 Hydraulic In-Service Failures program and the \$1,729,800 proposed for 2027. Identify
9 each deferred recommendation, with timing and risk.

12 **A. a) The Capital Budget Application Guidelines (Provisional) identify General Plant as:**

13 Investments in a utility’s assets that are not part of its generation, transmission
14 and distribution system including land and buildings, tools and equipment,
15 rolling stock and electronic devices and software used to support day-to-day
16 business and operations activities.

17 As this project involves the remediation and stabilization of the Cat Arm powerhouse slope,
18 which includes the land and rock faces surrounding the Cat Arm powerhouse that are not
19 part of the generation, transmission and distribution system, Newfoundland and Labrador
20 Hydro (“Hydro”) classified this work as General Plant.

- 21 **b)** The Level 2 Condition Assessment of the Cat Arm powerhouse slope, completed by Hatch
22 Ltd. (“Hatch”), included a Prioritized Action List comprising 24 individual remediation actions
23 with recommended implementation timelines, ranging from one to three years. Hatch
24 classified 14 actions as High Priority, which were recommended to be remediated within
25 one year. These high-priority items were addressed through the 2026 Hydraulic In-Service
26 Failures Program and included scaling, vegetation removal, and bolting/meshing works in
27 areas identified as presenting the highest rockfall risk to the powerhouse and adjacent
28 electrical infrastructure.

1 As the remaining short-term recommendations were assessed by Hatch to present a lower
2 risk and recommended for completion within two to three years, they were planned to be
3 addressed through the proposed Stabilize Powerhouse Slope (2027) - Cat Arm project. The
4 proposed 2027 expenditure of approximately \$1.73 million is intended to complete these
5 remaining stabilization measures, with each recommendation, implementation timeline and
6 associated risk classification included within Attachment 1.¹

¹ "2027 Capital Budget Application", Newfoundland and Labrador Hydro, July 14, 2026, Vol. II, Project 21, Att. 1, p. 6.