

1 **Q. Reference: Volume II, Upgrade Line Depot (2027–2029) – Bay d’Espoir**

2 The estimated cost is \$6,200,700, of which \$470,600 is proposed for 2027. The project is
3 classified as General Plant. Hydro states that the existing 1964 building is at the end of its service
4 life and that mould, lead, and asbestos are present.

- 5 **a)** Please provide the AACE estimate class and allocate the \$6,200,700 among 2027 design
6 or other pre-construction work and 2028–2029 construction. Please state the date on
7 which Hydro expects to have an AACE Class 3 estimate.
- 8 **b)** Please provide the detailed cost and net-present-value comparison for demolition and
9 new construction, refurbishment, use or renovation of the Facilities Maintenance
10 Building and workshop, and continuation of interim accommodation. Include residual
11 hazards and remaining life.
- 12 **c)** Attachments 1–3 contain the asbestos, lead, and mould assessments. Please identify the
13 material findings and required actions, and show the abatement or demolition cost
14 included for each alternative. Identify any change in conditions since the assessments.

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- 17 **A. a)** Please refer to Table 1 for allocation of project costs. Newfoundland and Labrador Hydro
18 (“Hydro”) has developed this estimate to the appropriate level for budgetary approval;
19 actual project expenditures and variances are reported within its annual Capital
20 Expenditures and Carryover Report as outlined in the Capital Budget Application Guidelines
21 (Provisional).¹ With the exception of Major Projects, Hydro does not typically perform
22 formal AACE classification for its capital budget estimates; Hydro’s estimating performance
23 generally falls within the accuracy bands consistent with Association of Advancement of
24 Cost Engineering (“AACE”) Class 3 or Class 4, depending on the project.

¹ “Capital Budget Application Guidelines (Provisional),” Board of Commissioners of Public Utilities, January 2022.

Table 1: Allocation of Project Costs by Year - Upgrade Line Depot (2027–2029) – Bay d’Espoir (\$)

	2027	2028	2029
Design ²	132,000	41,200	
Pre-Construction ³	276,387	86,894	
Construction ⁴		1,402,755	3,177,280
Overheads ⁵	62,237	280,830	741,129

b) Please refer to CA-NLH-085, Attachment 1 of the native excel file for the net cost and net-present-value comparison by year of the alternatives evaluated for the Upgrade Line Depot (2027–2029) – Bay d’Espoir project.

c) Abatement costs to remove hazardous materials during the demolition phase have been estimated at \$214,400; this includes labour, material, and equipment to remove and dispose of all contaminated materials. During the demolition phase, all areas of the Line Depot Building will be disturbed.

The asbestos, lead and mould assessments are included in the Upgrade Line Depot (2027–2029) Capital Budget Application submission as Attachments 1, 2 and 3. There has been no notable change in condition since these reports were developed in 2025.

Remedial work recommendations noted within the asbestos reassessment include the removal or repair of damaged drywall paneling identified as being in poor condition in the hallway leading to offices.⁶ Due to the disturbance during demolition, the asbestos area identified will need to be properly removed and disposed.

The lead reassessment recommended that disturbance of lead paint should be assessed on a case-by-case basis to take into consideration the method and extent of disturbance.⁷ If deemed necessary by the assessment, safe work procedures must be followed. Due to the

² Includes consultant costs.

³ Includes project management, internal engineering and travel costs.

⁴ Includes project management, internal engineering, consultants, contract work, equipment and travel.

⁵ Includes contingency, interest and escalation.

⁶ “2027 Capital Budget Application”, Newfoundland and Labrador Hydro, July 14, 2026, Vol. II, Project 4, att. 1.

⁷ “2027 Capital Budget Application”, Newfoundland and Labrador Hydro, July 14, 2026, Vol. II, Project 4, att. 2.

disturbance during demolition the lead paint will need to be properly removed and disposed.

Recommendations within the mould assessment included the following⁸:

- The bottom foot of the west exterior wall in the workshop should be removed to allow the base of the exterior plywood wall to dry. Any wet insulation uncovered should be removed and disposed of.
- Remove and replace the water-stained ceiling tiles identified in the workshop and the kitchen. Monitor the new tiles for any further staining, and if water damage reoccurs, the source of the damage should be identified and repaired.
- Engage the services of a qualified remediation contractor to execute the work outlined below following the Canadian Construction Association (“CCA”) Level 1 Mould Procedures in conjunction with Type II Asbestos Precautions.
 - Remove the bottom two feet of water-damaged drywall from the west exterior wall in the Hallway.
 - Remove the bottom two feet of water-damaged drywall from the north wall in the Hallway which borders the Secretary/Technologist’s Office.
 - If any wet insulation is encountered during completion of removal, it should be disposed of.
- Engage the services of a qualified remediation contractor to execute the work outlined below following the CCA Level 2 Mould Procedures, in conjunction with Type II asbestos Precautions and Environmental Abatement Council of Canada Lead Guidelines.
 - Remove the mould-impacted north drywall in Washroom one and abrasively clean the mould-impacted wooden frame in the wall cavity.

⁸ “2027 Capital Budget Application, Newfoundland and Labrador Hydro, July 14, 2026, Vol. II, Project 4, att. 3.