

1 Q. **Reference: Program 16: Perform Facilities Refurbishments (2027) Section 3.2 Asset Condition,**
2 **pages 5 to 9**

3 Hydro is proposing facility refurbishments at four facilities that were also included in the 2026
4 CBA Perform Facilities Refurbishments program.

- 5 a) Explain how the scope of work and budget in 2027 is different and why each facility
6 requires revisiting in 2027?
7 b) How does completing scopes of work at the same facility over multiple years impact
8 costs and efficiency?
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11 A. a) The scope of work and budget for the four facilities included in both the 2026 and 2027
12 Perform Facilities Refurbishments programs differ based on the type of work planned and
13 the resources required to complete it. Newfoundland and Labrador Hydro (“Hydro”)
14 evaluates each proposed scope within the program by considering internal and external
15 resource requirements, equipment and outage availability, scheduling constraints,
16 environmental considerations, and contracting strategies to minimize overall costs and site
17 disruption. Resource requirements vary depending on whether the work is performed by
18 internal resources or external contractors, which trade groups are involved, and the need
19 for specialized contractors. Where practical, scopes at the same facility are coordinated to
20 improve efficiency through optimized contractor mobilization, site access, and the
21 utilization of available work fronts. However, the variety of scopes at each facility, including
22 differences in trade requirements, execution methods, risk profiles, resource availability,
23 and contracting approaches, do not always allow work to be combined under a single
24 contract or completed concurrently.

25 With the exception of the Hydro Place Office scope, the 2026 program scopes will be
26 completed by external contractors and are primarily focused on higher-risk deficiencies
27 related to fire and life safety, electrical and plumbing code compliance under the National
28 Building Code of Canada, and deficiencies that pose a higher risk to the safe and reliable

1 operation of the facilities. The 2027 scopes primarily consist of exterior building envelope
2 refurbishment work to be completed by external contractors, as well as electrical and
3 mechanical work planned for execution by internal resources. As no cost, schedule, or
4 resource efficiencies were identified from combining the 2026 and 2027 scopes at these
5 facilities, the work has been planned and budgeted in separate years to align with execution
6 requirements, resource availability, and operational priorities. As such, completing scopes at
7 the same facility over multiple years does not necessarily indicate that cost and efficiency
8 have not been realized.

9 **b)** Please refer to part a) of this response.