

Q. Reference: Schedule 1, page 10.

Detail the proposed work to be completed by Hydro as part of managing oversight for the fabrication of the CT and GSU transformers including the costs associated with each specific work item categorizing costs as non-labour, internal labour and external labour.

A. The management oversight of the combustion turbine (“CT”) and generator step-up (“GSU”) transformers is part of the overall internal Project Management Team (“PMT”) requirements and discussed in Newfoundland and Labrador Hydro’s (“Hydro”) responses to PUB-NLH-005 and PUB-NLH-010 of this proceeding.

As described in PUB-NLH-010, Attachment 1, this scope includes internal labour for both project management and engineering to support the development and management of the geotechnical work, miscellaneous studies, Newfoundland Power Inc. line relocations, early civil works, environmental assessment and emissions modelling, and procurement related to EPCM¹ contract, CT, and GSU transformer packages. For the PMT, Hydro has not broken its estimate down to a level of effort basis for each member of the PMT for each work scope. As shown in Table 1, the total cost for the combined scopes is approximately \$■ million.

Table 1: EPCM Support and Internal Project Management Costs for Avalon CT Project (\$000)

Category	Subcategory	Internal Costs	External Costs ²
EPCM Support and Internal Project Management	Project Management Team (Staff)	■	■
	PMT (Embedded Consultants)		
	EPCM Contractor		
Total		■	■

¹ Engineering, Procurement and Construction Management (“EPCM”).
² Costs include the \$■ million proposed for 2026 in the Additional Early Execution Application.

- 1 The PMT role is to ensure that the product delivered aligns with engineering and quality
2 requirements, that all visible risks are mitigated, as well as adherence to the agreed delivery
3 schedule. The work proposed includes:
- 4 • Oversight of fabrication-related activities, including field visits;
 - 5 • Progress meetings with vendors;
 - 6 • Contract administration, including verification and adherence to contractual milestone
7 payments; and
 - 8 • Overall scope management.