

1    **Q.      Reference: Schedule 1, page 11, Table 1.**

2            Please provide details of the scope of work required for each expenditure listed in Table 1.  
3            Include in the response why each scope of work is required to be completed at this time and  
4            when Hydro expects each of the expenditures to be made.

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7    **A.      Please refer to PUB-NLH-010, Attachment 1. Newfoundland and Labrador Hydro has excluded**  
8            **cancellation clause costs<sup>1</sup> as they are not capital costs and would only be incurred in the event**  
9            **of project cancellation.**

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<sup>1</sup> Originally provided in “Cancellation Clause Costs (C)” column within Table 1 of Schedule 1 of this application.

Table 1: Avalon Combustion Turbine – Early Execution and Additional Early Execution Scope and Budgets

| Category  | Approved Budget Amount <sup>1</sup> (A) | Approved Budget Work Scope/Description  | Expenditure Timeframe   | Additional Early Execution Budget <sup>2</sup> (B) | Additional Early Execution Costs Work Scope/Description  | Expenditure Timeframe   | Early Execution Capital Budget (A+B) |
|---|---|---|---|--|--|---|--------------------------------------|
| EPCM Support and Internal Project Management      |   | Internal labour for both project management and engineering to support the development and management of the geotechnical work, miscellaneous studies, Newfoundland Power Inc. ("Newfoundland Power") line relocations, early civil works, environmental assessment and emissions modelling, EPCM procurement, combustion turbine ("CT") procurement and transformer procurement. | Completed in 2025   |  | Internal labour for both project management and engineering Q1-Q2 2026<br><br>• Site Civil Development - develop, award and manage engineering design for the site civil development.<br><br>• Circuit Breakers - develop and award an Request for Proposal package to procure terminal station circuit breakers.<br><br>• EPCM - Award EPCM contract.<br><br>• CT Procurement - Manage oversight and fabrication of CT's from a quality and timely delivery perspective to ensure that all visible risks are mitigated. This will include oversight, verification and adherence to contractual milestone payments by suppliers.<br><br>• Transformer Procurement - Manage oversight and fabrication of generator step-up ("GSU") transformers from a quality and timely delivery perspective to ensure that all visible risks are mitigated. This will include oversight, verification and adherence to contractual milestone payments by suppliers.<br><br>The noted items above are required to be completed at this time to ensure costs are negotiated and long-lead items are procured to reduce overall project risk. |   |                                      |
| CT Procurement                                    |   | The initial downpayment for the CT package in 2025 estimated at 10% of the final contract cost.   | Completed in 2025   |  | The contract for the Avalon CT requires milestone payments with the next payment due March 26, 2026. This payment will secure the production slot and confirm the overall contract amount. Approval of the Additional Early Execution Application is required for this payment; failure to make the payment will result in cancellation of the contract and forfeit of all payments made to date.  | Q2 2026 <sup>4</sup>  |                                      |
| Early Site Works and Geotechnical Study           |   | Contractor and consultant costs estimate for early site works, geotechnical study, and Newfoundland Power line relocations  | Early site work completed in 2025, Geotechnical report to be completed in Q1 2026. Transmission Line 38L was placed in service, Transmission Line 39L and construction power to be completed in 2026. |  | Contract costs for:<br><br>• Site Civil development - develop, award and manage engineering design for the site civil development.<br><br>• Circuit Breakers - develop and award an ITT package to procure a terminal station circuit breaker.<br><br>The noted items above are required to be completed at this time to ensure costs are negotiated and long lead items are procured to reduce overall project risk.  | Geotechnical report to be completed in Q1 2026, site civil development in April/May, circuit breaker award in June. |                                      |
| GSU Transformer Procurement                       |   | The initial downpayment for the transformers in 2025 estimated at 10% of the final contract cost.   | Q1 2026 upon award of contract  |  | N/A  |   |                                      |
| Environmental Assessment Registration and Studies |   | Consultant costs for the Environmental Assessment registration and emissions modelling.   | Completed in 2025   |  | Any additional engineering or environmental studies that come from design recommendations as required.   | Q2 2026   |                                      |

<sup>1</sup> As approved in Board Order No. P.U. 17(2025).  
<sup>2</sup> Budget includes project termination costs, should the project not be approved.  
<sup>3</sup> Engineering, Procurement and Construction Management ("EPCM").  
<sup>4</sup> Approval of Additional Early Execution Application must be received in March 2026 as discussed in Newfoundland and Labrador Hydro's response to PUB-NLH-007 of this proceeding.

Table 1: Avalon Combustion Turbine – Early Execution and Additional Early Execution Scope and Budgets

| Category  | Approved Budget Amount <sup>1</sup><br>(A) | Additional Early Execution Budget <sup>2</sup><br>(B)           |                                | Additional Early Execution Costs<br>Work Scope/Description                              | Expenditure<br>Timeframe | Early Execution<br>Capital Budget<br>(A+B) |
|---|--|---|--------------------------------|---|--------------------------|--|
|   |  | Approved Budget<br>Work Scope/Description                       | Expenditure<br>Timeframe       |   |                          |  |
| Contingency   |  | (Contingency associated with the early execution project.       | Contingency carried in to 2026 | New contingency associated with continuation of early execution project.                | Q1–Q2 2026               |  |
| Interest During Construction ("IDC") and Escalation |  | IDC and escalation associated with the early execution project. | Completed in 2025              | New IDC and escalation associated with the continuation of the early execution project. | Q1–Q2 2026               |  |
| <b>Total</b>  | <b>90,710</b>                              |   |                                | <b>29,294</b>   |                          | <b>90,004</b>                              |

<sup>1</sup> As approved in Board Order No. P.U. 17(2025).<sup>2</sup> Budget includes project termination costs, should the project not be approved.<sup>3</sup> Engineering, Procurement and Construction Management ("EPCM").<sup>4</sup> Approval of Additional Early Execution Application must be received in March 2026 as discussed in Newfoundland and Labrador Hydro's response to PUB-NLH-007 of this proceeding.