

1 Q. In the HTGS Capital Plan Refresh, referenced in Newfoundland and Labrador Hydro's 2026
2 Capital Budget Application, Hatch stated:

3 "Considering the recommendations of the 2022 assessment, this report
4 recommends a new project included in the LECA for the refurbish work of the
5 pump house in the year 2025 with a cost of \$4M based on the estimate
6 provided in the 2022 assessment report."

7 a) Was Hatch Ltd. (HATCH) aware of Hydro's proposal to complete the condition
8 assessment in 2025 when the HTGS Capital Plan Refresh was filed?

9 b) Does Hatch's updated recommendation impact Hydro's proposal to complete the
10 condition assessment in advance of the refurbishment project or the information
11 provided by Hydro in response to NLH-PUB-006? Please explain.

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14 A. a) Hatch Ltd. ("Hatch") was provided with a copy of Newfoundland and Labrador Hydro's
15 ("Hydro") 2025 Capital Budget Application which included the proposal to complete a
16 condition assessment in 2025.

17 b) Due to constraints regarding equipment and outage availability, Hydro is no longer able
18 to complete the condition assessment of the Pumphouse 1 sump this year.¹ Hydro is
19 proposing to cancel the condition assessment of Sump 1, and to utilize the findings
20 from the Pumphouse 2 sump condition assessment to inform the approach to Sump 1.
21 Hatch's recommendations in the Life Extension Condition Assessment do not change
22 Hydro's belief that the condition assessment is necessary to define the scope of
23 refurbishment required, and to provide an accurate cost estimate for the identified
24 refurbishment scope; however, given the inability to complete the Pumphouse 1 sump
25 inspection and the increased costs of de-watering and cleaning the sumps as identified

¹ Pumphouse 1 and 2 require separate outages, and Pumphouse 1 requires specialized grounding equipment that will not be available during the available outage window.

1 through the tendering process, Hydro believes this approach provides a balance of cost
2 and risk, by providing the potential to avoid duplication of the de-watering and
3 cleaning costs. Additionally, if Hydro determines remediation of the Pumphouse 2
4 sump can be completed within this year to avoid de-watering again, Hydro may have
5 an opportunity to complete the remediation this year and avoid duplication of costs
6 associated with de-watering and cleaning of the sump.²

² Hydro would only proceed with remediation this year if the remediation scope can be completed as a supplemental less than \$750 thousand, or as an In-Service Failure. More substantial remediation would require approval by the Board. Please refer to Hydro's response to PUB-NLH-009 of this proceeding for further information.