

1 Q. **Reference: 2026 Capital Budget Application, Project 1, Perform Boiler Condition Assessment**  
2 **and Miscellaneous Upgrades.**

3 a) Hydro indicates that this project has been completed on an annual basis since 2017.

4 Please provide the annual cost of the project in each year since 2017.

5 b) Has Hydro made any changes to its project budget estimate considering the change in  
6 project budget for the Level 2 Condition Assessment of the Stage 1 & 2 Cooling Water  
7 Sump Structures at the Holyrood Thermal Generating Station? If yes, please explain. If  
8 not, why not?

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11 A. a) Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-087 of this  
12 proceeding.

13 b) The originally proposed budget increase in the Level 2 Condition Assessment of the Stage 1 and  
14 2 Cooling Water Sump Structures was due to higher-than-anticipated contract pricing, due to  
15 the uniqueness and uncertainty regarding the condition of the sumps and the work required to  
16 fully assess the sump condition.

17 The boilers and associated high-energy piping (main steam piping, hot reheat piping, cold  
18 reheat piping, and high-pressure feed water piping) are the focus of the condition assessment  
19 in the Perform Boiler Condition Assessment and Miscellaneous Upgrades project. While scope  
20 uncertainty does exist on the Boiler Condition Assessment and Miscellaneous Upgrades  
21 project, the project estimate is derived using established Boiler maintenance contract pricing,  
22 and a defined work list identified from previous assessments. Hydro has applied escalation to  
23 existing contract pricing to account for increases in contract pricing, but does not feel that the  
24 level of cost risk that was present on the Level 2 Condition Assessment of the Stage 1 and 2  
25 Cooling Water Sump Structures applies to the Boiler Condition Assessment and Miscellaneous  
26 Upgrades project, given the established contract pricing and repetitive nature of the work.