

1 Q. **Reference: Schedule 7: Capital Programs and Projects, Program 9: Perform Facilities**
2 **Refurbishments (2026)**

3 Page 15, Table 2, Stephenville Main Office Building, Garage and Warehouse.

- 4 a) Describe Hydro's vehicle maintenance operations at the Stephenville Main Office garage
5 detailing the types of maintenance activities completed in-house versus those contracted out to
6 vehicle service operators.
- 7 b) Provide the cost benefit analyses completed by Hydro or a third party into completing vehicle
8 maintenance in-house versus completing vehicle maintenance by local service centres. If one
9 has not been completed, explain the grounds on which the refurbishment work is based.

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12 A. a) Newfoundland and Labrador Hydro's ("Hydro") Stephenville garage is primarily utilized to
13 support transmission line crews and focuses on heavy-duty equipment. With one mechanic on
14 site, this employee conducts preventive maintenance ("PM") and corrective maintenance
15 ("CM") on electrical, hydraulic and mechanical components of heavy-duty units. Heavy-duty
16 units operating out of the Stephenville garage include excavators, heavy-duty track machines,
17 aerial devices, radial boom derricks, cranes and hydraulic dump units. This PM and CM work is
18 required to ensure equipment is kept in good working order and readily available for the
19 transmission line team.

20 Hydro's in-house mechanics are factory trained on each piece of specialty equipment and have
21 the required tools for this specialty work, which are not generally found in typical heavy-duty
22 truck retail shops. Mechanics also travel in the field with transmission line crews to ensure
23 breakdowns to equipment are repaired on-site without delay, reducing extended outage times.
24 Hydro's garages are equipped with tooling, literature and service equipment supplied by the
25 original equipment manufacturer for each specific piece of equipment. Common parts needed
26 for preventive maintenance are also stocked within these facilities, such as track wheels,
27 bushings, hydraulic hose & fittings, hydraulic valves, cylinders, and pumps.

1 **b)** Hydro has not completed a cost benefit analysis on in-house versus external vehicle
2 maintenance service providers. As stated in part a), Hydro mechanics are trained to work on its
3 fleet of specialized on-road and off-road utility equipment. This type of service, including
4 training and tools are specialized and not common, resulting in the need to maintain the
5 Stephenville garage. There are currently no local third-party vendors to service heavy-duty track
6 units or aerial booms. Cost and downtime to transport this large equipment outside of the
7 Stephenville area would be significant, and may result in delayed responses to customer service
8 requests and deferral of work to extend and maintain the generation and transmission work
9 within the province. For these reasons, Hydro does not consider completing vehicle
10 maintenance by outside service centers to be a viable alternative.

11 The refurbishment work proposed for the Stephenville garage is derived from existing facility
12 condition assessments. Items identified for the Stephenville garage consist of refurbishments
13 required to restore the facility, improve occupant health and safety, maximize the service life of
14 the asset, and address code non-compliance issues. The proposed refurbishments were selected
15 using Hydro's Enterprise Risk Management – Risk Rating, in conjunction with risk spend
16 efficiency.