Q. **Reference: Volume 1, page 2.3**

Hydro states (lines 7 to 12) "*…customer feedback indicates that reliability is important to customers, but that affordability remains a higher priority…Hydro remains mindful of this perspective as it manages its infrastructure and applies asset management practices to support prudent investment while maintaining reliability*".

a) Provide a summary of Hydro's strategic asset management plan.

b) Provide a summary of any assessment by external consultants as to Hydro's level of maturity with respect to asset management practices.

A. **a)** While Newfoundland and Labrador Hydro ("Hydro") does not have a formally documented Strategic Asset Management Plan, its strategic asset management framework is reflected across a combination of existing corporate, departmental, business-planning and capital-planning documents and processes

Hydro's Corporate Strategic Plan establishes the organization's goals and high-level objectives. These objectives are translated into more specific objectives through divisional and departmental plans. Hydro's Annual Business Plan prioritizes the activities required to achieve those objectives, while its resource-planning processes identify the resources necessary to complete the planned work.

Hydro's asset-management objectives and identified asset risks are further translated into work through its maintenance, operating and capital-planning processes. Capital projects are advanced through Hydro's capital budget application process, which develops detailed plans for completing the required work. Hydro's capital-planning processes consider matters such as asset condition, operational risk, project justification, alternatives, lifecycle cost and the value of risk mitigation in prioritizing investments. Capital work, preventative maintenance, and corrective maintenance activities are consolidated and managed through Hydro's Annual Work Plan.

b) In 2022, Greeman Asset Management Solutions completed an Asset Management Needs and Readiness Assessment of Hydro. Greeman found that Hydro had an established foundation of asset management practices, including an Asset Management Policy, a dedicated Office of Asset Management, long-term asset planning processes, asset inventory systems and staff training. The assessment identified opportunities to further mature and standardize these practices across the organization, particularly in areas such as asset management strategy and planning, information management, decision-making, organizational capability, life-cycle management, and risk. Greeman made 39 recommendations to support continued improvement.

Hydro notes that the assessment reflected a point-in-time review conducted during a period of significant organizational change and does not necessarily reflect Hydro's current level of asset management maturity.

In 2025, the Board of Commissioners of Public Utilities engaged a consultant, EA Technologies, to perform a gap assessment against the ISO 55000 series of Asset Management Standards. While Hydro has reviewed a draft of the consultant's report, the final report has not yet been issued by the Board; therefore, Hydro cannot comment on the findings of this review.