Q. **Reference: PUB-NLH-034 p2; PUB-NLH-015 p2; PUB-NLH-009 p2; Volume I, Program 6**

Provide the current 2027 diesel renewal list, showing each unit's proposed overhaul or replacement, cost, and expenditure incurred or forecast under earlier programs. Reconcile the list, including Rigolet Unit 2101, to the $3.642 million request. Provide the calculations supporting the least-cost choices, identifying intervention lives, timing and failure or rework costs, and explain how the comparisons in PUB-NLH-034 apply to the proposed units.

A. The following Diesel Gensets are included under the 2027 Renew Diesel Gensets program. Each unit's proposed renewal cost includes labour, materials, travel, interest and escalations.

- Hopedale Diesel Unit 2054 – new engine and generator;
- St. Lewis Diesel Unit 2080 – new engine and generator;
- Cartwright Diesel Unit 2086 – new engine;
- Postville Diesel Unit 2096 – new engine;
- Cartwright Diesel Unit 594 – new engine;
- Francois Diesel Unit 588 – new engine; and
- McCallum Diesel Unit 2064 – engine overhaul using new parts.

Table 1 shows expenditures completed on earlier iterations of the program to facilitate portions proposed in the 2027 scope.

Table 1: Expenditures in Renew Diesel Gensets Program

Unit	2027 Scope	2027 Budget ($)	Forecasted Expense Incurred to 2026 YE ($)
Hopedale Unit 2054	New Engine and Generator	1,181,700	195,000
St. Lewis Unit 2080	New Engine and Generator	346,000	-
Cartwright Unit 2086	New Engine	366,000	-
Postville Unit 2096	New Engine	346,700	106,000
Cartwright Unit 594	New Engine	806,070	-
Francois Unit 588	New Engine	316,000	-
McCallum Unit 2064	Engine Overhaul Using New Parts	296,000	-
Rigolet Unit 2101		N/A	125,000

To evaluate the options of replacement or overhaul, Newfoundland and Labrador Hydro ("Hydro") will obtain quotes or review past execution to evaluate least cost. As referenced in Hydro's response to PUB-NLH-034 parts a) and c) where the costs are comparatively similar, the reliability and performance benefits gained from replacement have driven Hydro to select replacement when this option is most prudent.

As stated in Hydro's response to PUB-NLH-015 of this proceeding, Hydro planned to replace Rigolet Unit 2101 in 2026 through change management on that iteration of the program. Due to the reasons outlined therein, installation could not proceed in 2026. This determination was made subsequent to the preparation of the 2027 Capital Budget Application, and therefore, the installation cost of Rigolet Unit 2101 was not explicitly stated in the 2027 program proposal. Hydro intends to complete installation in 2027; appropriate change management will be completed prior to adding the installation scope to the 2027 iteration of the program, including notification to the Board of Commissioners of Public Utilities should it be deemed necessary, which will be determined through Hydro's change management processes.