

1 Q. **Reference Application Rev. 1**

2 With respect to the Capital Budget Guidelines, in Hydro's opinion is the onus on the utility to
3 fully support with evidence expenditures in the Capital Budget or is the onus on the intervenors
4 to submit evidence indicating that a capital expenditure is not needed? Please provide support
5 for your response.

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8 A. It is Newfoundland and Labrador Hydro's ("Hydro") position that the onus is on the utility to
9 provide evidence to support the expenditures included in its capital budget. This is founded in
10 the Capital Budget Application Guidelines, as prescribed by the Board of Commissioners of
11 Public Utilities,¹ which state at page 4 "A utility shall present its annual capital budget with
12 sufficient detail for the Board and interested parties to understand the nature, scope and
13 justification for individual expenditures and the capital budget overall." This requirement is
14 repeated throughout the Capital Budget Application Guidelines for various levels of
15 expenditures.

¹ "Capital Budget Application Guidelines," Board of Commissioners of Public Utilities, revised October 2007, (originally issued June 2, 2005 (Provisional)).