

1 Q. **Tab H; Volume 1: 2020 Capital Expenditures Overview**

2 The table on page HA-1 provides the total variances between the capital budget approved by
3 the Board and the project expenditures incurred as of June 30, 2020 and the forecast
4 expenditures for the remainder of the year. The table includes a “COVID-19 Adjustment” under
5 “Total Project Expenditures and Forecast” of \$28.570 million. Page HA-2 indicates that this
6 adjustment is a reduction of forecast expenditures for the period July to December 2020.

7 Please explain why the forecast expenditures are reduced by this amount, how the adjustment
8 was determined, and whether these costs are being carried forward to future years.

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10 A. In the second quarter of 2020, Newfoundland and Labrador Hydro (“Hydro”) recognized that the
11 COVID-19 pandemic would impact its ability to complete some capital project scopes of work in
12 2020 and identified the scopes most likely to be carried over to future years. To estimate the
13 impact of the expected carry over on 2020 capital expenditures, Hydro completed a re-
14 forecasting exercise, which was the basis for the COVID-19 Adjustment. Please refer to
15 Attachment 1 of Hydro’s response to PUB-NLH-025 of this proceeding for revised copies of
16 Section H, Appendix A (HA-1 to HA-16). The schedules on pages HA-1 and HA-2 have been
17 revised to clearly reflect Hydro’s intention to carry the relevant costs forward to future years.