

1    Q.    Reference: Further to the response to Request for Information NP-NLH-359:  
2            When does Hydro typically commence and conclude its annual budget processes?  
3            In the response, please describe the typical annual budget process, together with  
4            significant milestones.

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7    A.    Hydro will typically commence its annual operating budget process in June with  
8            final approval by the Board of Directors obtained in November. The capital  
9            budgeting process begins in late October and is submitted to the Hydro Board and  
10          Public Utilities Board for approval in July of the following year.

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12          Please see Table 1 and 2 below for a summary of significant milestones within the  
13          budget process.

**Table 1: Historical Milestones Regulated Hydro Operating Budget**

<b>Date</b>	<b>Operating Budget Requirement</b>
June	Budget guidelines are issued
August	Salary and related cost estimates are compiled
September	Operations and Maintenance costs estimates are compiled
September	Load forecasts prepared and used to compile revenue, hydraulic/thermal generation split determined, fuel and power purchased estimates
September	Borrowing requirements and interest expense estimated
September	Consolidation of budget and preparation of forecast financial statements
Mid-September	Review of divisional budgets with divisional VPs <sup>1</sup>
End of September	Review of divisional budgets VP Hydro
Mid-October	Presentation for approval by VP Finance/CFO <sup>2</sup>
End of October	Presentation for approval by the President & CEO <sup>3</sup>
November	Presentation for approval by Hydro and Nalcor Board of Directors

**Table 2: Historical Milestones Regulated Hydro Capital Budget**

<b>Date</b>	<b>Capital Budget Requirement</b>
October	Identify all required projects
November	Review proposals
December	Prioritize capital proposals
January	Determine required outages and finalize capital proposals
Mid-June	Presentation for approval by divisional VPs <sup>4</sup> , and CEO
Late June	Presentation for approval by Hydro Board of Directors
July	Submission to the Public Utilities Board

<sup>1</sup> Divisional VPs include: VP Finance/CFO (Nalcor); VP Human Resources and Organizational Effectiveness (Nalcor); VP Corporate Relations (Nalcor); VP Project Execution and Technical Services (Nalcor); VP Hydro (Hydro) and VP System Operations & Planning (Hydro).

<sup>2</sup> VP Finance/CFO (Nalcor).

<sup>3</sup> President & CEO.

<sup>4</sup> Divisional VPs include: VP Project Execution and Technical Services (Nalcor) and VP NL Hydro (Hydro).