

1 Q. Please provide in detail the steps followed in Hydro's capital budget approval
2 process identifying each entity that reviews and approves the budget prior to
3 submission to the Board. Specifically, do Hydro's President and CEO, Hydro's
4 Leadership Team, Hydro's Board of Directors, Nalcor's Vice-President of Asset
5 Management/Project Execution and Engineering Services; Nalcor's Leadership Team
6 and Nalcor's Board of Directors review and approve Hydro's capital budget prior to
7 submission to the Board?

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10 A. Hydro's capital budget proposals are developed by various levels of Hydro staff with
11 review and approval by senior managers prior to it being submitted to the executive
12 leadership. The preparation of the annual Hydro capital budget follows the
13 guidelines issued by the Board of Commissioners of Public Utilities; please refer to
14 PUB-NLH-413 Attachment 1, page 2 and PUB-NLH-414 Attachment 6.

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16 The Vice-President of Newfoundland and Labrador Hydro, the Chief Financial
17 Officer of Hydro and the President and Chief Executive Officer of Hydro and Nalcor's
18 Vice President of Project Execution, Technical Services and Asset Management
19 review and approve the completed capital budget prior to it being submitted to
20 Hydro's Board of Directors for approval. Once it is approved by Hydro's Board of
21 Directors, the submission is made to the Board.