

1 Q. **Reference: Capital Expenditures and Carryover Report for the Year Ended December 31, 2022,**  
2 **page 28**

3 It is stated

4 The annual and project variance is due to a higher number of service extension  
5 requests than forecasted, particularly in isolated regions of Labrador.

6 How many service extensions were requested and how does it compare to budget?

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9 A. As shown in Charts 1 and 2 of the Provide Service Extensions (2024) program proposal,<sup>1</sup> the total  
10 number of new service requests received by Newfoundland and Labrador Hydro in 2022 was  
11 526 at an actual cost of \$4,459,000, with a corresponding budget of \$3,627,200 for the Provide  
12 Service Extensions (2022) program.<sup>2</sup> The project budget was based on the five-year average of  
13 historical expenditures.<sup>3</sup>

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<sup>1</sup> "2024 Capital Budget Application," Newfoundland and Labrador Hydro, rev. August 18, 2023 (originally filed July 12, 2023), sch. 6, prog. 5, sec. 4.1, p. 2, Chart 1 and sec. 6.1, p. 4, Chart 2.

<sup>2</sup> "2022 Capital Budget Application," Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021), vol. II, Tab 19, was approved as per *Public Utilities Act*, RSNL 1990, Board Order No. P.U. 37(2021), Board of Commissioners of Public Utilities, December 20, 2021.

<sup>3</sup> Budgets for service extensions are not defined by a number of service extensions performed, but rather actual expenditures incurred. The project budget, as provided in the 2022 Capital Budget Application ("CBA"), was based on an analysis of the historical expenditures within the past five years for the provision of service extensions by region, supplemented with regional planning input regarding anticipated future activity levels. In the 2023 CBA, Hydro changed its basis for estimate to a three year historical average.