

1 Q. **Reference: Schedule 1 2024 Capital Budget Overview, Page 23, lines 15–18**

2 Please provide a copy of any memo, report, or document that describes the statistical analysis
 3 completed and the results of that analysis.

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6 A. Newfoundland and Labrador Hydro (“Hydro”) has not prepared any memo, report, or document
 7 that describes the statistical analysis completed. Hydro analyzed variances for projects and
 8 programs closed out from 2017 to 2022, inclusive, which includes those proposed as early as
 9 2013. Hydro excluded from its analysis any projects that were closed with a total spend of less
 10 than 25% of its project budget, as such instances generally reflect cancelled projects and are
 11 therefore not reflective of estimate accuracy. In total, Hydro analyzed 367 project completions
 12 and calculated the mean variance and standard deviation. Hydro’s documentation consists only
 13 of internal numerical analysis. The distribution of cost variances for the 367 analyzed projects is
 14 provided in Chart 1.

15 Hydro’s analysis determined that its average project variance over this period was -4%, with a
 16 standard deviation of approximately 38%. Hydro therefore calculated its estimate accuracy
 17 within one standard deviation to be -43% to +35%, or approximately -40% to 30%.

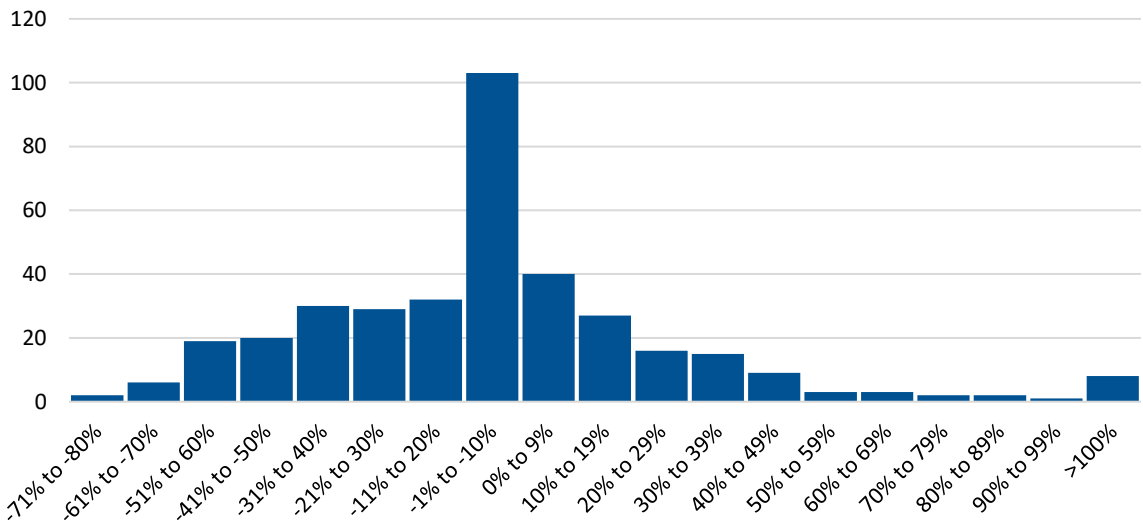


Chart 1: Project Variance Distribution – Completion 2016–2022