

1 Q. **Reference: Application, 2025 Capital Budget Overview, page 5.**

2 Footnote 17 states *“As Hydro has previously stated, full compliance will take years to achieve.*  
3 *Hydro has made and will continue to advance amendments to its CBA process to satisfy the*  
4 *Guidelines.”*

5 a) What changes has Hydro made in the 2025 CBA to comply with the Provisional  
6 Guidelines?

7 b) What changes has Hydro made in its CBAs since the Provisional Guidelines were issued  
8 in December 2021?

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11 A. a) Newfoundland and Labrador Hydro (“Hydro”) has not implemented specific processes to  
12 achieve compliance with the provisional Capital Budget Application (“CBA”) Guidelines  
13 (“Guidelines”)<sup>1</sup> in the 2025 CBA, as Hydro believes it has largely achieved compliance with  
14 the Guidelines prior to this year and in the limited cases where full compliance is not  
15 possible, Hydro has met the spirit and intent of the Guidelines.

16 b) Since the Guidelines came into effect in January 2022, Hydro has made a number of changes  
17 to its CBAs:

18 • Summary of major activity drivers in each investment classification organized by major  
19 asset category;

20 • Increased demonstration of discussion of considerations when deciding on deferring  
21 proposals;

22 • Addition of historical reliability information, including SAIFI<sup>2</sup> and SAIDI,<sup>3</sup> with and  
23 without significant events for Island and Labrador systems, as well as targets for those  
24 metrics;

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<sup>1</sup> “Capital Budget Application Guidelines (Provisional),” Board of Commissioners of Public Utilities, January 2022.

<sup>2</sup> System Average Interruption Duration Index (“SAIDI”).

<sup>3</sup> System Average Interruption Frequency Index (“SAIFI”).

- 1           • Development of rate impact summary including historical rates for Island and Labrador  
2           systems, as well as revenue requirement impacts, indicative electricity rate impacts, and  
3           rural deficit impacts;
- 4           • Summary information for historical, current and forecast expenditures;
- 5           • Expanded Five-year capital overview;
- 6           • Reorganized programs and projects by asset class, investment classification, materiality,  
7           and length of time as outlined by the Guidelines;
- 8           • Updated the definition of programs as outlined in the CBA per the definition in the  
9           Guidelines;
- 10          • Redesigned individual program and project proposal documents to include all required  
11          information as outlined in the Guidelines, including trending; and
- 12          • Updated Risk Matrix and inclusion of risk mitigated per dollar spent as tracked metric.