

1 Q. **Reference: Application, 2025 Capital Budget Overview, page 26.**

2 It is stated “*Therefore, Hydro’s expected estimated accuracy range is approximately +30%/-*
3 *40%.*” Is this accuracy range typical for the industry?

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6 A. As Newfoundland and Labrador Hydro (“Hydro”) has previously communicated,¹ the upper
7 range (+30%) of Hydro’s estimate accuracy range is consistent with the American Association for
8 Advancement of Cost Engineering (“AACE”) Class 3 estimate, which is the degree of accuracy
9 typically required for budgetary authorization or control. The lower range of Hydro’s estimate
10 accuracy range (-40%), is within the range of accuracy expected for an AACE Class 5 estimate,
11 which is the degree of accuracy typically required for concept screening.

¹ Please refer to Hydro’s response to CA-NLH-050 and CA-NLH-049 of Hydro’s 2023 and 2024 Capital Budget Application proceedings, respectively.