

1 Q. **Reference: General**

2 a) Please describe which projects in Hydro’s 2025 Capital Budget Application are most
3 susceptible to completion delays due to supply chain challenges.

4 b) How have supply chain challenges been reflected in the timelines of projects that are most
5 at risk of delay in completion?

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8 A. a) Newfoundland and Labrador Hydro (“Hydro”), like many others, continues to experience
9 supply chain issues and inflation arising from the COVID-19 pandemic, increased demand for
10 equipment, engineering, and labour resources, and geopolitical volatility. The projects
11 included in the 2025 Capital Budget Application (“CBA”) that Hydro has identified as the
12 most susceptible to delays are those requiring the purchase of vehicles, diesel gensets, and
13 terminal station equipment (transformers, disconnects, etc.); as lead times for equipment of
14 this nature have not returned to pre-pandemic norms.

15 b) Hydro reviewed available procurement lead time and cost experience for completed and
16 ongoing projects when preparing capital budget estimates for the 2025 CBA and adjusted
17 cost estimates and schedules accordingly. As a result, a number of programs and projects
18 included in the 2025 CBA that are considered most at risk of supply chain issues have been
19 adjusted to a three-year execution schedule. Some notable examples include the proposals
20 to “Replace Diesel Gensets (2025–2027),” “Replace Light and Heavy-Duty Vehicles (2025–
21 2027),” and “Install Breaker Failure Protection (2025–2027) – Holyrood.”