

1 Q. **Reference: Application**

2 Please provide a table identifying each project/program in the 2027 capital budget, its cost and
3 the customers that are required to pay for the project; i.e., Island Interconnected, Labrador
4 Interconnected and Rural/Isolated. In cases when more than one customer group is required to
5 pay for a project/program, please identify the share of the cost paid by each.

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8 A. The 2027 Capital Budget Application provides a detailed listing of all proposed projects and
9 programs, including their costs and descriptions of the assets, facilities, or systems to which they
10 relate. In many cases, the Application also identifies the system served (e.g., Island
11 Interconnected, Labrador Interconnected, or Rural operations). However, the Application does
12 not allocate project costs among customer classes on a project-by-project basis. Customer
13 responsibility for utility costs is established through Newfoundland and Labrador Hydro's
14 ("Hydro") Cost of Service methodology and rate design processes, rather than through the
15 capital budgeting process. Accordingly, Hydro does not maintain a project-level schedule
16 identifying the share of each project's cost borne by Island Interconnected, Labrador
17 Interconnected, and Rural/Isolated customers. Hydro submits that this information is not
18 necessary for a reasonable understanding of the proposed capital expenditures or for the
19 assessment of the need for and prudence of the projects.