

1 Q. **Reference: Program 11: Purchase Tools and Equipment (2027), Chart 4, page 7**

2 Provide the methodology used by Hydro to calculate the 2027 budget including whether it was
3 based on historical expenditures or 2027 requirements.

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6 A. The Purchase Tools and Equipment program supports the operation and maintenance of
7 Newfoundland and Labrador Hydro's generation, transmission, and distribution systems. Each
8 year, operating groups develop a list of equipment required to support the following year's
9 activities based on identified operational needs, which is used to develop the program estimate.
10 The estimate also includes miscellaneous line items for each operating group for small hand
11 tools and unplanned equipment replacements or refurbishments due to failure, based on
12 historical expenditures.