

1 Q. **Reference Midgard Report, page 22)**

2 Midgard states “*Although it is the utility’s responsibility to manage its system and to prioritize*
3 *and implement expenditures based on the needs of its system, under the current approach, some*
4 *portion of this management onus is effectively transferred to the NLPUB when specific projects*
5 *are being disallowed.*” Does Hydro agree with this statement? Please explain.

6

7

8 A. The examination of the current capital budget approval process and the recommendations for
9 amendment to same are being examined by the Board of Commissioners of Public Utilities and
10 the parties as part of a separate proceeding. Newfoundland and Labrador Hydro feels it is
11 premature to address Midgard Consulting Incorporated’s report while the proceeding to which
12 it relates is ongoing.