

1 Q. **Reference: Volume I - Tab 2 - Five Year Capital Plan**

2 The Application states on page 9, lines 14-17, that “Hydro is materially reducing its proposed
3 light-duty vehicle purchases in 2022 relative to that of prior years and intends to undertake a
4 review of its light-duty vehicle fleet management strategy to determine whether its current
5 practices optimize the value of its fleet.” What circumstances prompted Hydro to determine
6 that there is a need to review its fleet management strategy considering Hydro’s replacement
7 criteria for light and heavy-duty vehicles were updated in 2020?

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10 A. As part of its ongoing cost management priorities, Newfoundland and Labrador Hydro (“Hydro”)
11 identified fleet utilization and location, specifically with respect to light-duty vehicles, as an area
12 of review. Hydro’s intent in undertaking such a review is to confirm that it is making best use of
13 the vehicles it currently has in inventory prior to making any further investment. Hydro is also
14 considering the opportunity for further integration of electric vehicles into its fleet. These
15 considerations, together with procurement challenges experienced as a result of the COVID-19
16 pandemic, provided the opportunity to pause the procurement of any further light-duty vehicles
17 for 2022. This decision was not meant to place in question Hydro’s fleet replacement criteria,
18 but rather is another step in optimizing Hydro’s fleet management approach.