

1 Q. **Reference: Application**

2 What changes has Hydro made to its asset management plan and practices since its 2022 Capital  
3 Budget Application?

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6 A. Since the Newfoundland and Labrador Hydro (“Hydro”) 2022 Capital Budget Application,<sup>1</sup> no  
7 enterprise-level changes have been made in Hydro’s Asset Management System. Within that  
8 time frame, Hydro retired its legacy asset management project prioritization matrix and adapted  
9 a corporate risk assessment matrix for use in evaluating capital projects and programs. This  
10 change establishes the pre-execution risk, post-execution risk, and risk mitigated for each  
11 project and program included in the capital budget application for the purposes of prioritization.  
12 The NLH Capital Risk Rating Matrix used to calculate the risks is included in the 2023 Capital  
13 Budget Overview.<sup>2</sup>

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<sup>1</sup> “2022 Capital Budget Application, Newfoundland and Labrador Hydro, rev. September 17, 2021 (originally filed August 2, 2021).

<sup>2</sup> “2023 Capital Budget Application, Newfoundland and Labrador Hydro, July 13, 2022, vol. I, sch. 1, app. F.