

1 Q. It was stated at the Technical Conference that current rate pressures brought on by the Muskrat
2 Falls Project have influenced Hydro senior management’s budget approach and that Hydro
3 senior management asked department heads to cut back on budgets in an effort to mitigate
4 rate impacts. Has this always been the approach of Hydro senior management, or was this
5 directly related to the rate pressures on Island electricity consumers? Has there ever been a
6 time in the past when Hydro has cut back on its spending in response to difficult financial times
7 in the Province?
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10 A. The technical conference held on November 20, 2019 was neither recorded nor transcribed. By
11 responding to this Request for Information, Newfoundland and Labrador Hydro (“Hydro”) is not
12 confirming the wording of any statement attributed to it in the question, unless otherwise
13 indicated.
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15 Hydro has not specifically reduced required capital expenditures in the recent past due to
16 difficult financial times; however, it has always been the approach of Hydro senior management
17 to manage planned capital budget expenditures to provide least-cost reliable service. In 2018,
18 Hydro increased scrutiny of the future five-year capital plan to remove costs with an aim to
19 contribute to rate mitigation. Please refer to Hydro’s response to PUB-NLH-001, filed as part of
20 the proceeding.