

1 Q. **Reference: 2023 Capital Budget Overview, Table 8: Prioritization by Risk Mitigated per Million**
2 **and Table 9: Prioritization by Risk Mitigated and October 6, 2022 Technical Conference**

3 Please comment on what changes to its methodologies and practices for prioritization of
4 projects that Hydro intends to make or propose (if Hydro feels constrained by current Board
5 Guidelines in this regard) by or for its 2024 Capital Budget Application.

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8 A. Newfoundland and Labrador Hydro (“Hydro”) is currently undertaking a review of its Capital Risk
9 Evaluation Matrix in advance of its 2024 Capital Budget Application. In particular, Hydro is
10 currently reviewing its risk impact factors to provide additional definition and ensure
11 consistency between asset classifications with regards to risk impacts. Hydro will also consider
12 the proposal of additional risk factors (e.g., economics) to enable fulsome risk evaluation of
13 capital projects not justified on the basis of safety, reliability, and environment. Hydro will
14 continue to assess opportunities for continuous improvement of its capital risk evaluation
15 practices.