

1 Q. **Reference: Schedule 1 2024 Capital Budget Overview, Pages 18–21**

2 Please explain the process Hydro follows to assess whether a planned capital expenditure can
3 be deferred, cancelled or advanced. In the response include the criteria that Hydro considers in
4 this assessment and the weighting or values placed on the criteria considered.

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7 A. Newfoundland and Labrador Hydro (“Hydro”) reviews all planned capital expenditures to ensure
8 appropriateness of timing and justification of scope. Throughout the capital budget cycle,
9 Hydro’s Long-Term Asset Planning team reviews information at an asset level to determine the
10 associated level of operational risk and proposes items accordingly. These items are then
11 reviewed by Hydro’s Engineering Services team for feasibility and determination of alternatives.
12 This ensures options put forward are appropriately scoped and justified on a project/program
13 basis. Once this is completed, the Capital Planning and Regulatory Engineering teams are
14 engaged to conduct a more broad review of the overall capital plan, including system risk,
15 reliability, executibility, and total investment. Analysis at all levels includes both qualitative and
16 quantitative considerations such as historical asset experience, asset age and condition, risk
17 assessment (including safety, reliability, and environment considerations), and cost
18 comparisons.