

1 Q. **Reference: Addendum Capital Expenditures and Carryover Report, Page 2, lines 7–8**

2 Explain how Hydro takes carryovers from a previous year into account in planning a current year
3 capital budget application, including the carryover’s impact on its ability to complete the work
4 proposed in the current year application.

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7 A. Newfoundland and Labrador Hydro (“Hydro”) reviews executibility of work as a consideration in
8 its in capital planning process. However, due to the timing of the capital budget cycle, Hydro is
9 not aware of the full extent of the carryover from one year to the next at the time of current
10 year Capital Budget Application filing. Should patterns start to emerge on the ability to execute
11 through carryover analysis, Hydro will endeavor to mitigate these risks. Such examples include:

- 12 • Increasing the duration for execution of the Replace Diesel Genset program from two
13 years to three due to extended supply chain lead times and resource availability;
- 14 • Temporarily pausing and re-evaluating the Replace Protective Relays Program as it was
15 discovered the pace was creating resource and outage concerns; and
- 16 • Scaling back the Light-Duty Vehicles program due to delays in receipt of equipment.

17 For further discussion on carryover please refer to Hydro’s response to NP-NLH-001 of this
18 proceeding.