

1 Q. **Reference: Application**

2 Has Hydro embedded productivity savings as a bottom-line adjustment in its 2025 Capital
3 Budget Application?

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6 A. Newfoundland and Labrador Hydro (“Hydro”) has not embedded productivity savings as a
7 bottom-line adjustment in its 2025 Capital Budget Application (“CBA”). While some capital
8 investments, particularly those categorized as service enhancement, may provide operational
9 efficiencies or improvements in productivity, any such savings would generally be operating in
10 nature and therefore would not be appropriately reflected as a bottom-line adjustment in
11 Hydro's CBA. Furthermore, Hydro does not track productivity improvements associated with
12 individual programs or projects.