

1 Q. **Reference: Program 8 Provide Service Extensions (2025), page 2-3.**

2 Hydro states, “As this is a customer-driven program that includes a range of scopes and costs,
3 actual historical costs per year tend to fluctuate...Costs per service request vary greatly
4 depending on the nature of the request and the magnitude of infrastructure modifications
5 required to accommodate the request. Hydro does not currently have sufficient data to
6 calculate historical costs per service request.

7 a) What additional information does Hydro need to be able to calculate historical cost per
8 service request?

9 b) Given the range of scopes and costs, what is Hydro’s rationale for grouping new service
10 requests (“NSRs”) together under one program?

11 c) What is the industry best practice with respect to separation/grouping of NSRs?

12 d) Please provide the breakdown of the \$4,662,500 proposed capital expenditure by type
13 of new service request.

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16 A. a) Newfoundland and Labrador Hydro (“Hydro”) is preparing queries to test the availability and
17 granularity of work order data to determine what additional data or processes would be
18 required to calculate cost per new service request (“NSR”). Hydro will provide an update in
19 support of this program in its next capital budget application.

20 b) Hydro manages its Service Extension Program under seven separate business units
21 designated by interconnected and isolated geographic areas. Operations for each area are
22 responsible for the allotted budget and installations, therefore, making the various scope
23 ranges and costs easier to manage. Since all work falls under the Service Extensions
24 category, and the justification and supporting evidence apply to all service requests, Hydro
25 consolidates these scopes under one program for administrative, project control, and
26 regulatory efficiency purposes.

- 1 **c)** Hydro is not aware of any industry best practices with respect to the separation/grouping of
2 NSRs.
- 3 **d)** Hydro is unable to provide a breakdown of the proposed capital expenditure. Hydro's
4 service extension program budget is based on the three-year average expenditure and
5 therefore, is not itemized by service request type or magnitude.