

1 **VOLUME 2: COST OF CAPITAL REPORT**  
2

3 **Q. Reference: NLH-NP-089 and PUB-NP-070**

4 **In request for information NLH-NP-089, part b) Newfoundland and Labrador**  
5 **Hydro asked if there are any storm-related costs built into Newfoundland Power's**  
6 **2025/2026 Test Year forecast. Newfoundland Power replied by referring to its**  
7 **response to PUB-NP-070, but that response does not address the test year forecasts.**  
8 **Please identify the specific amounts included within the 2025 Test Year and 2026**  
9 **Test Year forecasts that are related to storm events.**

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11 A. Newfoundland Power has not included any specific adjustment to its operating costs for  
12 response to severe weather events in its 2025 and 2026 test year forecasts.<sup>1</sup> Consistent  
13 with past general rate applications, the Company has calculated its test year operating  
14 overtime forecast based on a three-year average of actual operating overtime costs  
15 incurred with an adjustment for annual labour inflation.<sup>2</sup>

16  
17 As such, the 2025 and 2026 test year forecasts include approximately \$0.6 million in  
18 overtimes costs in each year, as a result of historical overtime incurred to address  
19 restoration of service following severe weather.

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21 Newfoundland Power observes that severe weather events are becoming more frequent in  
22 its service territory.<sup>3</sup> The unpredictability of storm events and the significant operating  
23 cost impact that a single severe weather event can have present an ongoing risk to the  
24 Company's earnings and ability to earn its allowed return.

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<sup>1</sup> Operating costs in response to severe weather events can reflect a combination of labour, including overtime, travel, operating materials and vegetation management costs. See the response to Request for Information PUB-NP-070, Attachment A.

<sup>2</sup> See the *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2*, page 2-36.

<sup>3</sup> See the *2025/2026 General Rate Application, Volume 1, Section 2: Customer Operations*, page 2-22.