

1 Q. **Reference: Midgard Report, page 22**

2 It is stated *“Midgard is of the opinion that existing legislation enables the NLPUB either to*
3 *continue with the existing itemized explicit project approvals, or alternatively, to approve capital*
4 *budget envelopes that represent all or some portion of the total proposed utility budgets.”*

5 a. Does Hydro agree with this statement? Please explain.

6 b. Does Hydro believe that the Board can approve a capital budget envelope under the current
7 Capital Budget Guidelines or does Hydro believe that a change in the Capital Budget
8 Guidelines would be needed? Please explain.

9 c. If the Board were to approve a capital budget envelope, what process would Hydro propose
10 be followed subsequent to the Board approval?

11 d. Would Board approval of a capital budget envelope avoid the appearance that the Board is
12 “managing” the utilities?

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15 A. The examination of the current capital budget approval process and the recommendations for
16 amendment to same are being examined by the Board of Commissioners of Public Utilities and
17 parties as part of a separate proceeding. Newfoundland and Labrador Hydro feels it is
18 premature to address Midgard Consulting Incorporated’s report¹ while the proceeding to which
19 it relates is ongoing.

¹ “Newfoundland and Labrador Board of Commissioners of Public Utilities Capital Budget Application Guideline Review,”
Midgard Consulting Incorporated, August 24, 2020.