

1 Q. For each of the departments listed in paragraph 17 of the Application. please provide the total
2 budget for each department that was included in Hydro's last general rate application, the
3 amounts assumed to be capitalized and the amounts assumed to be included in O&M (in both
4 dollar and percentage terms). If the current departments differ from the department
5 organization at the time of the last general rate application, please provide an estimated
6 comparison using a consistent department structure (i.e. either the current department
7 structure or the department structure as it existed at the time of the last general rate
8 application with confirmation as to which of the two is being used).

9
10
11 A. Please refer to Table 1 below for total budgeted operations and maintenance ("O&M") in
12 Hydro's last general rate application, the estimated amounts assumed to be capitalized using
13 the methodology in the application,¹ and the amounts assumed to remain in O&M for each
14 department included in paragraph 17 of the application.² The 2019 data used in Table 1 reflects
15 the current department structure as used for the information in the application. It should be
16 noted that the numbers in Table 1 are an estimate of the general expenses capitalization by
17 taking the O&M labour costs included in each departments' 2019 Test Year O&M balance and
18 applying the capitalized overhead rates in paragraph 17 of the application.³

¹ "Approval of a Proposed General Expenses Capitalized Deferral Account," Newfoundland and Labrador Hydro, August 12, 2025, para. 17, p. 4.

² Supra, f.n. 1.

³ Supra, f.n. 1.

Table 1: 2019 Test Year Estimated General Expenses Capitalized

	2019 Test Year Budget O&M	2019 Estimated General Expenses Capitalized⁴	2019 Remaining O&M	% of O&M included in the General Expenses Capitalized⁵
Major Projects ⁶	-	-	-	0%
Engineering Services	\$5,456,182	\$998,991	\$4,457,191	18%
Regulatory Affairs	\$4,929,927	\$380,779	\$4,549,148	8%
Supply Chain	\$3,699,404	\$565,686	\$3,133,718	15%
Finance, Human Resources and Information Services	\$32,500,628	\$1,526,816	\$30,973,812	5%
Production Operations	\$43,742,375	\$934,904	\$42,807,471	2%
Transmission and Rural Operations	\$44,802,584	\$375,181	\$44,427,403	1%

⁴ Calculated on budget labour costs only.

⁵ Percentages included in Table 1 are the percentage of total departmental O&M included as general expenses capitalized. The capitalized overhead rates provided in Table 17 of the application are the percent of the department annual O&M labour costs included as general expenses capitalized.

⁶ Major Projects department did not exist in the 2019 Test Year and, as a result the amounts in Table 1 are \$nil.