

1 Q. **Reference: Application**

2 Please provide a table of the annual values from the years 1993 to 2026 for the following items:
3 Hydro's total capital expenditure, the GDP deflator, Hydro's total capital expenditure expressed in
4 real terms using the GDP deflator, the number of Hydro customers, Hydro real capital expenditures
5 per customer. For 2025 and 2026 use the Conference Board of Canada's forecast for GDP deflator;
6 for 2025 use Hydro's estimate of total spending and for 2026 use Hydro's 2026 CBA figures.

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9 A. Please refer to CA-NLH-002, Attachment 1.

10 Table 1 within CA-NLH-002, Attachment 1 contains Newfoundland and Labrador Hydro's ("Hydro")
11 rate base and Hydro's rate base expressed in real terms using the GDP¹deflator for the period 2003
12 to 2024. Data prior to 2003 is not available.

13 Table 2 within CA-NLH-002, Attachment 1 contains the GDP Deflator series used to provide the
14 inflation-adjusted values provided in Table 1 of CA-NLH-002, Attachment 1.

15 Hydro's capital actual expenditures from 2000 to 2024 and forecast expenditures from 2025 to 2026
16 are provided in Table 3 of CA-NLH-002 Attachment 1, in both nominal dollars as well as their values
17 adjusted to 2025 dollars. The data provided in the response is for the period commencing in 2000, as
18 provided in Hydro's response to CA-NLH-004 of the 2025 Capital Budget Application. Hydro believes
19 that providing that data for additional years prior to 2000 is of limited value and does not warrant
20 the amount of work necessary to provide the information.

21 Hydro believes that the calculations of the real capital expenditures by customer would not be
22 meaningful considering:

- 23 i. The small percentage of residential customers in Newfoundland and Labrador serviced
24 directly by Hydro (approximately 39,000);

¹ Gross Domestic Product.

1 ii. The magnitude of capital expenditures required by a small number of industrial
2 customers; and

3 iii. That the majority of customers on the Island Interconnected System are served by
4 Hydro's utility customer, Newfoundland Power Inc. ("Newfoundland Power"), but draw
5 significant benefit from Hydro's capital budget expenditures as the main electricity
6 generator.

7 Given the stark differences between Hydro's Residential customers and the Utility and Industrial
8 customers, Hydro believes that performing a direct one-to-one comparison of the capital
9 expenditures per customer, where Newfoundland Power or an Industrial customer would be
10 considered a single customer, would be misleading. Please refer to Table 3 of CA-NLH-002,
11 Attachment 1.

**Table 1: Average Rate Base
(\$000)**

Year	\$ Nominal¹	Inflation-Adjusted² (\$2025)
2000	-	-
2001	-	-
2002	-	-
2003	1,422,412	2,384,001
2004	1,476,724	2,397,044
2005	1,475,728	2,323,122
2006	1,478,649	2,269,088
2007	1,483,524	2,203,917
2008	1,489,786	2,128,206
2009	1,473,477	2,154,979
2010	1,484,659	2,111,185
2011	1,492,777	2,056,063
2012	1,524,482	2,074,362
2013	1,546,930	2,068,919
2014	1,620,982	2,126,636
2015	1,747,308	2,312,426
2016	1,885,849	2,478,102
2017	2,068,754	2,650,292
2018	2,265,683	2,855,348
2019	2,306,047	2,862,069
2020	2,310,559	2,838,367
2021	2,321,756	2,645,709
2022	2,334,120	2,464,362
2023	2,329,352	2,426,309
2024	2,379,043	2,409,607

¹ Records for 2000–2002 are not available at this time.

² 2025 = 1.000 data is derived from the GDP Implicit Price Deflator series issued by Conference Board of Canada, 5-year Forecast, December 18, 2024.

Table 2: Gross Domestic Product Deflator

Year	GDP Implicit Price Deflator
	(2025 = 1.000) ¹
2000	0.562
2001	0.571
2002	0.578
2003	0.597
2004	0.616
2005	0.635
2006	0.652
2007	0.673
2008	0.700
2009	0.684
2010	0.703
2011	0.726
2012	0.735
2013	0.748
2014	0.762
2015	0.756
2016	0.761
2017	0.781
2018	0.793
2019	0.806
2020	0.814
2021	0.878
2022	0.947
2023	0.960
2024	0.987
2025	1.000
2026	1.018

¹ 2025 = 1.000 data is adapted from the GDP Implicit Price Deflator series issued by Conference Board of Canada, 5-year Forecast, December 18, 2024.

Table 3: Actual and Forecast Expenditures¹
2000-2026
(\$000)

Year	Nominal Dollars	Adjusted to 2025 Dollars
2000	38,563	68,642
2001	47,501	83,230
2002	40,217	69,600
2003	32,506	54,481
2004	27,964	45,392
2005	33,952	53,448
2006	41,217	63,250
2007	35,669	52,990
2008	46,246	66,064
2009	54,152	79,198
2010	55,553	78,996
2011	63,116	86,932
2012	77,252	105,117
2013	84,755	113,354
2014	204,728	268,592
2015	125,119	165,585
2016	203,941	267,989
2017	340,741	436,525
2018	156,985	197,842
2019	126,575	157,094
2020	87,555	107,556
2021	113,492	129,328
2022	103,408	109,178
2023	148,876	155,073
2024	154,175	156,156
2025 ²	232,450	232,450
2026	140,487	138,014

¹ The capital expenditures in this table exclude any actual or forecasted spend on Major Projects. For the purposes of this document, the term "Major Project" is generally used to describe projects and programs with an anticipated cost of \$50 million or greater under the accountability of Hydro's Major Projects Department.

² Increase in forecasted capital expenditures in 2025 is related mainly to approval of the Bay d'Espoir Penstock 1 Life Extension Project, approved under Order No. P.U. 6(2023).