

1 Q. **Reference: Application**

2 Please provide the risk mitigation value provided by Hydro's asset management program (i.e.,
3 the difference between baseline risk and residual risk) used to develop its 2026 CBA

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6 A. Newfoundland and Labrador Hydro's ("Hydro") Capital Risk Evaluation within its Asset
7 Management Program provides the baseline risk (i.e., pre-implementation), residual risk (i.e.,
8 post-implementation), and the mitigation value, in the 2026 Capital Budget Application for
9 projects and programs in the Renewal, Service Enhancement and General Plant investment
10 classifications, as required by the provisional Capital Budget Application Guidelines.¹ The
11 mitigation value is contained in Appendix G of Schedule 1 of this application and for those
12 proposals over \$750,000, all risk scores are provided within each applicable project or program
13 report within Schedule 7 of this application. For reference, Appendix G of this application of
14 Hydro's Capital Budget Overview contains Hydro's Capital Risk Rating Matrix used to calculate
15 the risk scoring.

¹ "Capital Budget Application Guidelines (Provisional)," Board of Commissioners of Public Utilities, January 2022.