

1 Q. **Reference: Application**

2 Please provide the reliability improvement resulting from Hydro's asset management program
3 used to develop its 2026 CBA.

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6 A. Reliability improvement and the associated risk is one component considered by Newfoundland
7 and Labrador Hydro ("Hydro") when determining and prioritizing a project or program in its
8 2026 Capital Budget Application ("CBA"). While Hydro does not have sufficient data, metrics, or
9 processes to determine the reliability improvement to the level of individual assets, reliability is
10 a key component of Hydro's risk scoring and is therefore intrinsically considered in Hydro's risk
11 ranking. As Hydro continues to develop its asset management systems, it will assess
12 opportunities to collect and analyze data to provide the reliability improvement resulting from
13 its asset management program. Please refer to CA-NLH-017 of this proceeding for additional
14 detail on Hydro's Capital Risk Evaluation Matrix used to develop its 2026 CBA.