

1 Q. **Reference: Application**

2 What is the overall improvement in productivity stemming from the projects included in the  
3 2026 Capital Budget Application? Please identify the expected cost savings, provide an estimate  
4 of the impact on rates and provide an explanation of how these cost savings will be tracked and  
5 recorded in Hydro's next GRA.

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8 A. Newfoundland and Labrador Hydro ("Hydro") has not embedded productivity improvements  
9 associated with individual programs or projects in its 2026 Capital Budget Application ("CBA"),  
10 as Hydro does not generally track productivity improvements associated with individual  
11 programs or projects. While some capital investments, particularly those categorized as service  
12 enhancement, may provide operational efficiencies or improvements in productivity, any such  
13 savings would generally be operating in nature and therefore would not be appropriately  
14 reflected as a bottom-line adjustment in Hydro's 2026 CBA.

15 Where possible, Hydro will assess the impact of operational efficiencies or improvements in  
16 productivity and, if appropriate, will incorporate within its next general rate application test  
17 year.