

1 Q. **Reference: Application, Capital Programs and Projects, Overhaul Diesel Units (2026) page 9**

2 It is stated "*A fluctuating Canadian dollar can also affect prices if it is relatively weaker at the time*
3 *of purchase.*" Has Hydro used the same exchange rate assumption for material and equipment
4 costs for its other programs and projects in its 2026 CBA?

5
6
7 A. Newfoundland and Labrador Hydro ("Hydro") typically applies exchange rate assumptions to all
8 international material and equipment costs within programs and projects in its capital budget
9 applications. Hydro utilizes its corporate assumptions for foreign exchange rates when
10 translating US dollars in its estimates, and applies other foreign exchange conversions when
11 materials are known to be sourced from other countries.