

1 Q. **Reference: Schedule 5: 2025 Capital Expenditures Overview**

2 Hydro has identified multiple projects where challenges with availability of internal engineering  
3 and construction resources resulted in either the carryover of a portion of the work or an  
4 increase in project cost.

5 a) Has Hydro completed an internal labour analysis that reconciles the budgeted project  
6 and program requirements against the historic levels of internal labour allocated to  
7 capital projects and programs? If yes, provide the analysis. If not, why not?

8 b) How has Hydro considered and reflected the availability and cost of internal and  
9 external resources and the amount of carry over work into its current capital budget  
10 proposals?

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13 A. Newfoundland and Labrador Hydro ("Hydro") does consider the availability and cost of internal  
14 resources and the amount of carryover in its proposal development for Capital Budget  
15 Applications ("CBA"). This is reflected in strategic project deferrals, extension of project and  
16 programs durations, review of scopes of work to determine areas where external resources can  
17 fit and inclusion of external resources in estimates as required. To improve the quality of its  
18 estimates for its 2026 CBA, resource requirements within each estimate were reviewed to  
19 confirm that labour assumptions were adequate within Hydro's overall annual work and outage  
20 plans. This exercise will aid in supporting the timely execution of necessary capital work;  
21 however, circumstances do occur from time to time, as in any business, that result in changes to  
22 planned capital work. Through capital planning and workforce planning efforts, Hydro is  
23 currently developing a framework and processes to compare the required capital resources to  
24 execute the CBA against the available internal labour. The intent is to develop a capital plan that  
25 maximizes internal resource allocation across operating and capital work.