

1 Q. **Reference: Schedule 5: 2025 Capital Expenditures Overview Appendix B: Capital Expenditures**  
2 **and Carryover Report for the Year Ended December 31, 2024**

3 Page B-74, line 4-6.

4 “For the upcoming 2026 CBA cycle, Hydro is evaluating whether a broader  
5 approach to deferral could allow for execution of the 2026 work scope and  
6 prevent the further deferral of prior carryover to future years.”

7 Provide an update on Hydro’s approach to deferral of programs and projects.

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10 A. In its approach to deferral of programs and projects in its 2026 Capital Budget Application  
11 (“CBA”), Newfoundland and Labrador Hydro (“Hydro”) carefully considered its capital  
12 investment portfolio to ensure its proposed programs and projects represent an achievable level  
13 of execution success and contain those which are most critical to supporting the operation of  
14 Hydro’s system. Where deferral of a program or project is determined to be low risk, Hydro  
15 continues to select that option in an effort to balance the cost impact to customers with the  
16 level of reliability required.

17 Specifically, in preparing its 2026 CBA, resource requirements within each estimate were  
18 reviewed to confirm that labour assumptions were adequate within Hydro’s overall annual work  
19 and outage plans, with strategic project deferrals then initiated as required. As part of the 2027  
20 CBA preparation, there is an internal review ongoing to compare current capital resource  
21 requirements to historical internal labour availability, which will further inform Hydro’s  
22 approach to deferral.