

1 Q. Further to the responses to PUB-NLH-016, PUB-NLH-018 and PUB-NLH-040, provide an
2 explanation as to why \$100,000 was selected as the appropriate amount for in-service failure
3 and why this amount is consistent for light-duty vehicles, heavy-duty vehicles and heavy-duty
4 mobile equipment. Include in the response the 5-year historical expenditures for each type of
5 in-service failure covered by these programs.

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8 A. The in-service failure amount of \$100,000 was based on professional judgement considering the
9 cost of major component repair and projected annual frequency of failure per vehicle class.

10 Prior to the introduction of the in-service failure program in the 2025 Capital Budget
11 Application, there was no efficient method of categorizing these expenditures to enable
12 trending of failure quantities and costs. As such, Newfoundland and Labrador Hydro ("Hydro") is
13 unable to provide the five-year historical expenditures by type of in-service failure as requested.
14 The 2025 year-to-date ("YTD") historical expenditures for each type of in-service failure covered
15 by these programs is provided in Table 1.

Table 1: In-Service Failures (2025 YTD)

Program	2025 Budget (\$000)	Actual Expenditures (\$000)
Replace Light- and Heavy-Duty Vehicles (2025–2027)	100.0	90.2 ¹
Replace Mobile Equipment (2025–2027)	100.0	192.9 ²

16 Similar to Hydro's other in-service failure programs, once there is three years of execution data
17 to review, that data will support future adjustments to in-service failure budgets.

¹ Note that this value is approximate, as a final invoice remains outstanding for repairs to one heavy-duty vehicle under this program.

² Note that this value is approximate, as repairs remain in progress for four mobile equipment units under this program.