Q. **Reference: Volume 1, page 4.16). Hydro states (lines 13 to 15)**

Hydro states that "*Hydro manages all areas of its operations, both regulated and non-regulated, to the same standard, applying an operational philosophy of Good Utility Practice and in line with its mandate to provide least-cost, reliable service in an environmentally responsible manner.*"

a) Provide Hydro's vision statement and explain how Hydro sees its business model changing in an era of an energy transition.

b) Provide Hydro's perspectives on the role of strategy and emerging utility practices in working toward its vision in an era of the energy transition and associated transformative change.

A. **a)** Newfoundland and Labrador Hydro's ("Hydro") vision is "*Hydro is the people's utility that you can count on – providing safe, cost-conscious, reliable electricity while harnessing sustainable energy opportunities to benefit the people of Newfoundland and Labrador*."[1]

Hydro does not anticipate that its business model will materially change through the energy transition—Hydro is, and will remain, a Crown utility with regulated and non-regulated operations. Although its business model itself is not expected to change, Hydro recognizes the need to evolve its business to maintain the agility and resiliency necessary to keep pace with the energy transition. Please refer to Hydro's 2026-2030 Strategic Plan[2] for further information on the specific strategies and actions Hydro is taking to evolve as the industry also evolves.

b) Hydro understands 'emerging utility practices' to mean the evolving approaches and capabilities being adopted across the utility sector to plan for and/or be responsive to

[1] Newfoundland and Labrador Hydro, "Our Values," https://nlhydro.com/about-us/our-commitments/our-values/.
[2] "Strategic Plan 2026-2030," Newfoundland and Labrador Hydro, https://nlhydro.com/wp-content/uploads/2026/06/STRAT-PLAN-2026-2030-FINAL.pdf.

changing industry and operating environment conditions (e.g., technology-based asset inspections, portfolio-based major projects delivery, grid-enhancing technologies, strategic supply chain opportunities, etc.). Examples of how Hydro has expanded operational technologies are provided in Hydro's response to PUB-NLH-081 of this proceeding.

Emerging utility practices and risks are considered by Hydro in the development and execution of its strategic priorities, ensuring alignment with Hydro's mandate, vision, and *Good Utility Practice*.

Hydro views the role of strategy as an increasingly important tool that: (i) enables Hydro to understand its operating environment (including the transformation happening within the electricity industry and beyond); (ii) helps envision future state aspirations within the context of that operating environment; and (iii) helps establish clear, shared organizational priorities and goals that serve as a roadmap for achieving Hydro's mandate, vision, and future state aspirations. Please refer to Hydro's 2026-2030 Strategic Plan for further information on specific strategies and actions.