

1 Q. **Reference: NP-NLH-046, Issue Topic: Operating Efficiencies.**

2 Would Hydro agree that its 2024 operating cost results are more reflective of its current
3 operations when compared to 2019 operating cost results? If not, why not?

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6 A. Newfoundland and Labrador Hydro (“Hydro”) believes that its 2024 operating cost results are a
7 more appropriate comparator to the 2027 Test Year, than its 2019 operating cost results given
8 the passage of time and elevated inflation since Hydro’s last General Rate Application (“GRA”).¹
9 The 2027 Test Year is reflective of Hydro’s current operational requirements for 2027 and
10 beyond, until such time as another GRA is appropriate.

¹ “2026 General Rate Application,” Newfoundland and Labrador Hydro, May 27, 2026, vol. I, ch. 3, sec. 3.1.