

1 Q. Expenditures between the Province’s two utilities are very high, over \$200 million annually, at a  
2 time when there is significant pressure on customer rates. Can Hydro recommend any changes  
3 that might improve the current capital budget process and enhance its value to consumers?  
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6 A. In its response to PUB-NLH-001 (filed as part of this proceeding), Newfoundland and Labrador  
7 Hydro (“Hydro”) outlined the enhancements to its capital planning approach which resulted in a  
8 34% decrease in the forecasted five-year plan capital expenditures when comparing 2018 to  
9 2020. Hydro’s focus going forward will be to continue to optimize its approach to capital  
10 investment and ensure that it is balancing impacts on electricity rates and reliability.  
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12 Additionally, a review of the Capital Budget Guidelines is ongoing. Outcomes of that review may  
13 identify additional changes that would improve the capital budget process and enhance value to  
14 customers.