Q. **Reference: Volume I, page 3.2-3.3, 2027 Test Year – Chart 3-1**

As the policy for General Expenses Capitalized (“GEC”) was effective January 1, 2025, recreate Chart 3-1 using the assumption that GEC would have been in effect for 2024.

A. Assuming that the policy was in effect for 2024, Newfoundland and Labrador Hydro’s (“Hydro”) total operating costs in 2024 are reduced by approximately $5.2 million for salaries deferred to the General Expenses Capitalized (“GEC”) Deferral Account. Chart 3-1 has been recreated reflecting adjusted 2024 Actuals of $140 million.

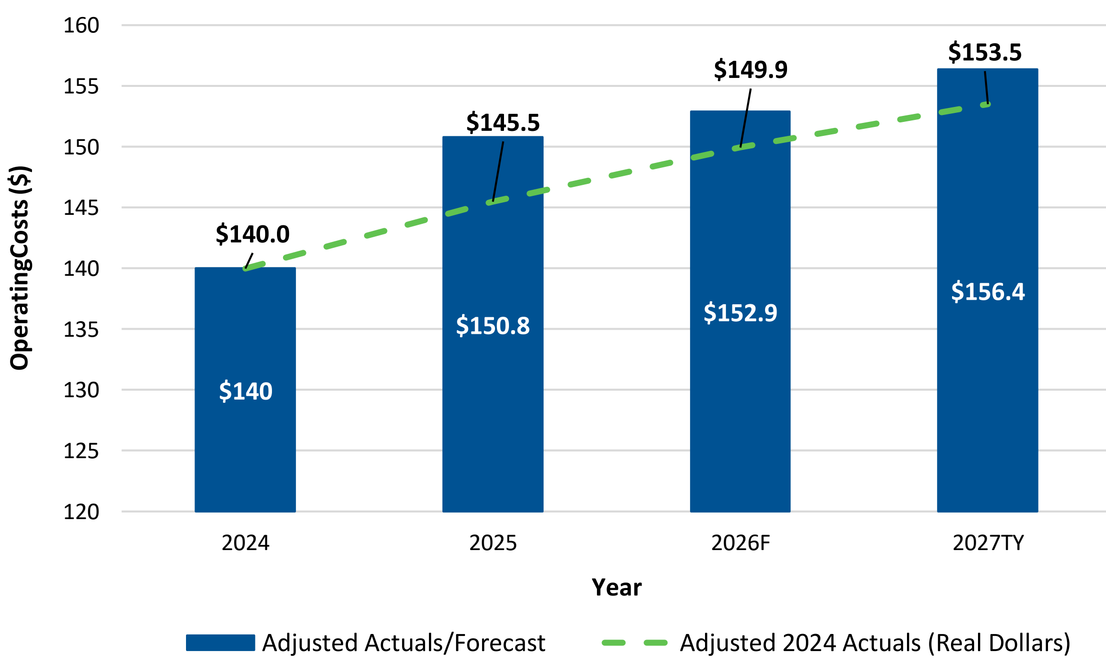

Chart 3-1: Hydro’s Operating Expenses 2024 to 2027 Test Year
Assuming GEC Effective 2024
($ Millions)