

- 1 **Q. Does Newfoundland Power use a financial benchmark to determine the approximate**
2 **level of capital spending for a given year: If so, how is this benchmark determined?**
3
- 4 A. Newfoundland Power does not use a financial benchmark to determine the approximate
5 level of capital spending for a given year.
6
- 7 Newfoundland Power determines its capital budget in each year by reference to its
8 service requirements. Newfoundland Power's capital budgets have varied as a result of
9 variation in changing requirements to serve customers from year to year.
10
- 11 Over the past 20 years, Newfoundland Power's capital budget has varied from a low of
12 \$30,958,000 in 1996 to a high of \$68,023,000 in 1990.