

1 **Q. Section C Multi-Year Projects**

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3 **Please confirm Newfoundland Power is requesting that \$1,215,000 of the total 2017**  
4 **expenditure of \$1,415,000 for the Distribution Reliability Initiative be treated as a**  
5 **multi-year project. If yes, does the separation of individual projects into both a**  
6 **single year and multi-year project comply with the Capital Budget Guidelines? If**  
7 **no, what is the requested 2017 expenditure for this multi-year project?**  
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9 A. Yes, Newfoundland Power is requesting that \$1,215,000 of the total 2017 expenditure of  
10 \$1,415,000 for the Distribution Reliability Initiative be treated as a multi-year project.

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12 The rebuild of distribution feeder SUM-02 is estimated to cost \$791,000 in 2017 and  
13 \$1,007,000 in 2018. The rebuild of distribution feeder TRP-01 is estimated to cost  
14 \$424,000 in each of 2017 and 2018. The rebuilding of SUM-02 and TRP-01 are being  
15 proposed as multiyear projects commencing in 2017 at a combined cost estimate of  
16 \$1,215,000 in 2017 and \$1,431,000 in 2018.

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18 In addition, in 2017 the Company proposes to complete the rebuilding of a 4.8 km section  
19 of RVH-02 at an estimated cost of \$200,000.

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21 Section A - 3(b) of the Capital Budget Application Guidelines addressing multi-year  
22 projects is silent on whether the separation of individual projects into both a single year  
23 and multi-year project is required. Newfoundland Power has filed its capital budget  
24 applications with single year and multi-year items combined within its standard project  
25 descriptions as provided in Schedule B of its applications. This is because the project  
26 scopes are consistent from application to application with the only difference being the  
27 number of years to execute the work.

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29 In addition to the Distribution Reliability Initiative project, the 2017 Capital Budget  
30 Application has 2 other projects where single year and multi-year items are combined in  
31 the same project. The Transmission Line Rebuild project includes the completion of a  
32 multiyear item to rebuild transmission line 57L over 2016 and 2017, in addition to 2017  
33 single year items to rebuild transmission lines 32L and 41L. The 2017 System Upgrades  
34 project includes the Microsoft Enterprise Agreement item that was approved in 2014 as a  
35 multiyear project.

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37 The presentation of multi-year projects can be addressed, if necessary, in the next review  
38 of the Board's Capital Budget Application Guidelines.