

1 **Q. (Reference Application, 2021 Capital Plan, page 1) NP proposes 2021 capital**
 2 **expenditures of about \$111 million in 2021 which is stated to be consistent with**
 3 **expenditures over the past 5 years. NP indicates that over the 5-year planning**
 4 **period expenditures are forecast to be approximately \$120 million annually. Please**
 5 **show how forecast expenditures of about \$120 million per year are consistent with**
 6 **expenditures over the past 5 years. Please provide forecast capital budget**
 7 **expenditures and the actual total resulting expenditures in side by side columns for**
 8 **the past 10 years. Please provide the actual rate base for the past 10 years, year over**
 9 **year, the percentage increase and decrease, as the case may be, and the rate base**
 10 **year over year into 2026.**

11
 12 A. See Section 4 of Newfoundland Power's *2021 Capital Plan* for a comparison of the
 13 Company's planned expenditures over the 2021 to 2025 forecast period to the previous 5-
 14 year period in total and by asset class.¹

15
 16 On an inflation adjusted basis capital expenditures over the 2021 to 2025 period average
 17 approximately \$113.4 million annually. This compares to \$100.3 million annually over
 18 the previous 5-year period.

19
 20 The forecast increase in annual expenditures for the 2021 to 2025 period is primarily
 21 attributable to implementation of the LED Street Lighting Replacement Plan and the
 22 Customer Service Continuity Plan. The LED Street Lighting Replacement Plan accounts
 23 for approximately \$5.5 million in capital expenditures annually throughout the 5-year
 24 period. The Customer Service Continuity Plan accounts for approximately \$10.5 million
 25 annually over the first 3 years of the 5-year period. Also contributing to the increase is
 26 \$6.8 million in 2021 capital expenditures for the construction of the Company's first new
 27 substation in 20 years.²

28
 29 Excluding these 3 generational projects from the 5-year plan for the 2021 to 2025 period,
 30 inflation adjusted capital expenditures average approximately \$100.8 million annually.
 31 This compares to \$100.3 million annually over the previous 5-year period.

¹ See the *2021 Capital Budget Application, Volume 1, Capital Plan*, page 26, *et. seq.* In particular, *Section 4.1 Planned Expenditures Overall* provides a comparison of overall planned expenditures over the 2021 to 2025 period to the previous 5-year period on page 27. Further, *Section 4.3 Planned Expenditures by Asset Class* provides a comparison of planned expenditures by asset class over the 2021 to 2025 period to the previous 5-year period, starting on page 31.

² In 2019, Memorial University of Newfoundland ("MUN") made a request to Newfoundland Power to establish a substation located on the north side of the MUN St. John's campus. The project was approved by the Board as a Supplementary Capital Budget Application in P.U. 5 (2019). The last new substation constructed by Newfoundland Power to supply customers other than MUN was Webber's Cove Substation in the Town of Lawn in 2001.

1 Table 1 below provides approved and actual capital expenditures for the 10-year period
2 2010-2019.³

Table 1
Capital Expenditures
Approved and Actuals
2010-2019F⁴
(\$000s)

Year	Approved	Actual
2010	70,779	76,605
2011	74,894	74,800
2012	79,690	83,474
2013	80,788	81,733
2014	103,572	112,564
2015	94,211	100,501
2016	107,028	99,846
2017	95,521	89,734
2018	84,776	89,434
2019F	100,856	106,296

³ Per Newfoundland Power's *Capital Expenditure Report* filed annually with the Board.

⁴ Actual expenditures for 2019 are a forecast amount as the exact amount to be spent on the carryover projects from 2019 to 2020 is not yet known.

1 Table 2 provides Newfoundland Power's calculation of average rate base for the period
2 2010 to 2025F.⁵

Table 2
Average Rate Base
2010-2025F
(\$000s)

Year	Average Rate Base	Change from Previous Year (%)
2010	875,210	-
2011	876,356	0.1
2012	883,045	0.8
2013	915,820	3.7
2014	964,930	5.4
2015	1,019,082	5.6
2016	1,061,044	4.1
2017	1,092,254	2.9
2018	1,117,341	2.3
2019	1,153,556	3.2
2020F	1,182,136	5.8
2021F	1,206,117	2.0
2022F	1,244,830	3.2
2023F	1,296,970	4.2
2024F	1,352,443	4.3
2025F	1,399,050	3.5

⁵ The capital forecast for 2026 is outside of the current 5-year capital plan and has not yet been determined. As a result, the 2026 forecast information as requested is unavailable.