

- 1 **Q. (Reference CA-NP-077) The capital costs of this project are given as \$400,000 for 2022**
2 **and \$4,694,000 for 2023. However, Sandy Brook Plant Economic Evaluation,**
3 **Attachment A, page A-7, shows additional capital costs for the Sandy Brook Plant in**
4 **those years resulting in total costs of \$505,000 in 2022 and \$6,586,000 in 2023.**
- 5 a) **Is Newfoundland Power seeking approval of these extra costs in its**
6 **application?**
- 7 b) **Other than in Attachment A, where are these additional Sandy Brook costs**
8 **identified in the Application?**
- 9
- 10 A. a) Newfoundland Power's 2022 *Capital Budget Application* seeks approval of
11 capital expenditures for the Sandy Brook Plant totaling \$505,000 in 2022 and
12 \$4,694,000 in 2023.
- 13
- 14 Capital expenditures proposed for 2022 include: (i) \$400,000 as part of the multi-
15 year *Sandy Brook Plant Penstock Replacement* project; and (ii) \$105,000 as part
16 of the *Hydro Facility Rehabilitation* project to upgrade the plant's generator
17 control system.¹
- 18
- 19 Capital expenditures proposed for 2023 include \$4,694,000 for the second year of
20 the *Sandy Brook Plant Penstock Replacement* project.
- 21
- 22 The economic analysis of the Sandy Brook Plant is designed to account for all
23 future capital expenditures. The analysis therefore includes additional capital
24 expenditures of \$1,892,000 for 2023 to undertake generator upgrades while the
25 plant is out of service for the penstock replacement. Should Newfoundland
26 Power determine these expenditures are required, the Company will seek approval
27 of the Board in a future application.
- 28
- 29 b) The additional capital expenditures of \$1,892,000 for the Sandy Brook Plant in
30 2023 are included in the 2022 *Capital Plan* provided with Newfoundland Power's
31 2022 *Capital Budget Application*.²

¹ See the 2022 *Capital Budget Application, Report 1.1 2022 Facility Rehabilitation*, pages 9-10.

² See the 2022 *Capital Budget Application, 2022 Capital Plan, Section 4.0, Five-Year Capital Plan: 2022-2026*.