

- 1 **Q. (Reference CA-NP-054) It is stated “No, Newfoundland Power did not incorporate**  
2 **any of the Midgard recommendations its 2022 Capital Budget Application. Midgard’s**  
3 **recommendations have not been adopted by the Board. Accordingly, the Company’s**  
4 **2022 Capital Budget Application was developed to comply with the Board’s existing**  
5 **Capital Budget Application Guidelines.”**
- 6 a) Please confirm that NL Hydro already implements some of Midgard’s  
7 recommendations in its 2022 CBA.
- 8 b) Please confirm that Newfoundland Power has no intention of implementing  
9 any of Midgard’s recommendations until the Board adopts such  
10 recommendations in the Capital Budget Guidelines.
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- 12 A. a) Newfoundland Power is aware that Newfoundland and Labrador Hydro has  
13 incorporated the investment classifications recommended by Midgard in its 2022  
14 *Capital Budget Application*.<sup>1</sup> This approach is similar to Newfoundland Power’s  
15 existing practice of grouping capital expenditures by origin, which has been a  
16 feature of its annual capital budget applications for over a decade.<sup>2</sup>
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- 18 b) Newfoundland Power filed its 2022 *Capital Budget Application* to comply with  
19 the Board’s *Capital Budget Application Guidelines* (the “Guidelines”) and other  
20 applicable directives of the Board.
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- 22 The Guidelines are currently under review by the Board. To date, the Board has  
23 not adopted Midgard’s recommendations.
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- 25 Newfoundland Power intends to continue complying with all applicable directives  
26 of the Board in preparing its annual capital budget applications.

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<sup>1</sup> See Newfoundland and Labrador Hydro’s 2022 *Capital Budget Application, Volume 1, Schedule 1: 2022 Capital Budget Overview*, page 6, line 9, to page 7, line 2.

<sup>2</sup> See Newfoundland Power’s 2022 *Capital Budget Application, 2022 Capital Plan, Section 3.2: 2022 Budget by Origin*, page 16.