

Q. Reference: p. 1-3, lines 4-6 where it states: “Since 2007, Newfoundland Power has experienced modest changes in its costs. Aggregate capital expenditure at year end 2010 is now forecast to be approximately \$35 million higher than was expected in 2007.”

Please provide a breakdown of the \$35 million variance relative to the 2007 forecast.

A. At the time of filing the 2008 General Rate Application in May 2007, the Capital Plan as included in the 2007 Capital Budget Application identified \$221,846,000 in planned capital expenditures for the period 2007 through 2010.

In the 2010 General Rate Application filed in May 2009, capital expenditures for the period 2007 through 2010F were forecast to be \$258,741,000.

The difference in aggregate capital expenditures at year end 2010 for the four-year period is estimated to be \$36,895,000.

Table 1 provides a breakdown of the actual and forecast capital expenditures over the period 2007 through 2010F.

Table 1
Capital Expenditures
2007 to 2010F
(\$000)

	2007	2008	2009F	2010F	Total
2010 GRA ¹	68,485	62,406	63,171	64,679	258,741
2007 CBA ²	<u>62,166</u>	<u>52,216</u>	<u>54,240</u>	<u>53,224</u>	<u>221,846</u>
Difference	6,319	10,190	8,931	11,455	36,895

For further details regarding actual capital expenditures for 2007 and 2008, please refer to the Annual Capital Expenditure Summary Reports included as attachments D and E, respectively, to the response to Request for Information CA-NP-147.

¹ Reference Table 2-12 on page 2-22 of Section 2 Customer Operations Evidence.

² Reference forecast capital expenditures in the 2007 Capital Budget Application, Capital Plan, Appendix A.