

1 **Q. (Reference Application, 2022 Capital Plan, page 11) It is stated “Newfoundland Power**
2 **shares the Board’s view that fully justified capital expenditures are part and parcel of**
3 **delivering least-cost service to customers.” Is Newfoundland Power of the opinion that**
4 **in the Board’s view least cost service is the goal regardless of the value customers**
5 **place on service? If so, please provide support.**

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7 A. As outlined in Newfoundland Power’s 2022 *Capital Plan*, the Board stated a view that:

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9 *“From a regulatory perspective, efficient operations, fully justified capital*
10 *expenditures and a low cost capital structure all combine to minimize revenue*
11 *requirement, and hence provide least cost electricity to ratepayers.”¹*

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13 Newfoundland Power is not otherwise in a position to comment on the views of the
14 Board on this matter. The Company observes, however, that provincial legislation
15 entitles customers to the provision of reliable service at the lowest possible cost.²

¹ See the 2022 *Capital Budget Application, 2022 Capital Plan*, page 11.

² See Section 3(b)(iii) of the *Electrical Power Control Act, 1994*.