

1 **Reference: Schedule B General**

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3 **Q. Several programs and projects are based on historical spending or forecasts**
4 **and therefore, the expenditure is an estimate of what Newfoundland Power**
5 **will spend. Please confirm that only the actual expenditures will be proposed**
6 **to be included in rate base.**

7

8 A. It is confirmed that only actual capital expenditures incurred through the execution of
9 the programs and projects are included in the Company's rate base. For example, the
10 *2023 Capital Budget Application* seeks approval of Newfoundland Power's average rate
11 base for 2021 in the amount of \$1,202,946,000 as set out in *Schedule C* to the
12 application. The rate base amount includes 2021 actual capital expenditures rather than
13 the budget amounts included in the Company's *2021 Capital Budget Application*.