

- 1 **Q. (Reference Application Schedule B, Replacement Street Lighting, page 55)**
 2 **a) Please provide annual costs and inflation-adjusted costs for this program**
 3 **2021, 2022 and 2023F.**
 4 **b) For each of those years, please provide the number of trouble calls from**
 5 **customers that led to expenditures under this program.**
 6 **c) Based on the 2023F expenditure on this program please provide the**
 7 **percentage increase implied for 2024 by NP's 2024 CBA.**
 8
 9 **A. a) The *Replacement Street Lighting* program involves the replacement of failed street**
 10 **light poles and hardware, including overhead and underground wiring and pole-**
 11 **mounting brackets. The annual and inflation-adjusted costs for the *Replacement***
 12 ***Street Lighting* program for the most recent three-year period, the average adjusted**
 13 **cost, and the forecast budget amount are provided in Table 1 below.**

Table 1 Replacement Street Lighting Project Costs ¹ (000s)					
	2021	2022	2023F	Three-year Average	2024F
Actual	\$730	\$937	\$770		\$863
Adjusted ¹	\$803	\$959	\$770	\$844	

¹ 2023 dollars.

- 14 b) Newfoundland Power is unable to provide the number of trouble calls from
 15 customers that led to expenditures under this program.

16
 17 The Company does not track the cause of a street light trouble call. Trouble calls
 18 related to street light outages are most commonly received for "street light out"
 19 situations, and not specifically for issues with poles, brackets and wires.

20
 21 Since 2021, Newfoundland Power has undertaken the replacement of existing High-
 22 Pressure Sodium ("HPS") street light fixtures with Light Emitting Diode ("LED")
 23 fixtures. In the event a trouble call pertains to an HPS fixture, Newfoundland Power
 24 will replace the fixture with an LED equivalent. In this case, the expenditure
 25 associated with the trouble call would be charged to the *LED Street Lighting*
 26 *Replacement* project. Because the trouble calls are captured separately from the
 27 crew activities, Newfoundland Power is unable to correlate the two.

¹ Starting with Newfoundland Power's 2023 Capital Budget Application, the cost of new street light and replacement of failed street light poles and equipment has been segregated. Prior to this, the expenditures were included within a single project.

- 1 c) The budget for the *Replacement Street Lighting* program is based on a historical
2 average. Historical annual expenditures for the program over the most recent three-
3 year period are expressed in current-year dollars ("Adjusted Costs"). The estimate
4 for the budget year is calculated by taking the average of the Adjusted Costs and
5 inflating it using the GDP Deflator for Canada for non-labour costs and the
6 Company's internal labour inflation rate for labour costs.
7
8 Newfoundland Power has proposed a total project cost of \$863,000, which implies a
9 2.25% increase from the three-year average program cost of \$844,000. The 2024
10 budget estimate of \$863,000 constitutes a 12% increase relative to the 2023F
11 forecast of \$770,000. This is attributed to the 2023F forecast being 9.6% lower
12 than the three year inflation-adjusted average.