

- 1 **Q. (Reference Application Schedule B, Allowance for Unforeseen Items, page 137)**
 2 **a) Is there any basis on which NP is proposing a \$750,000 budget for this item**
 3 **other than that is the amount selected in recent years?**
 4 **b) According to the Capital Budget Expenditure Status Report (page 4 of 6)**
 5 **none the 2023 allocation of \$750,000 had been spent up to May, but an**
 6 **expenditure of \$750,000 was still forecast for the year. What is the basis of**
 7 **that forecast for the remainder of the year?**
 8 **c) According to section V.A.7 of the Capital Budget Application Guidelines**
 9 **(Provisional) effective January 2022, a utility must file a final report on**
 10 **work carried out using these funds and "This report should be copied to the**
 11 **intervenors in the utility's most recent annual capital budget application."**
 12 **Has any such report been filed with the current application? If not, please**
 13 **provide.**
 14 **d) Recent amendments to the Public Utilities Act now allow for a utility to**
 15 **undertake capital expenditures of up to \$750,000 without prior approval of**
 16 **the Board. Does this legislative change make this budget request for**
 17 **\$750,000 for Allowance for Unforeseen Items unnecessary?**
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- 19 **A.** a) See the response to Request for Information PUB-NP-014.
 20
 21 b) The purpose of the *Allowance for Unforeseen Items* is to enable the Company to
 22 respond expeditiously to events affecting the electrical system in advance of seeking
 23 specific approval of the Board. Examples of such expenditures are the replacement
 24 of facilities and equipment due to major storm damage or equipment failure.¹
 25
 26 While there have been no expenditures associated with *Allowance for Unforeseen*
 27 *Items* outlined in the *2023 Capital Budget Expenditure Status Report*, Newfoundland
 28 Power cannot predict whether the allowance will be required later in the year. As a
 29 result, the forecast remains unchanged from the approved budget amount.
 30
 31 c) Given that the *Allowance for Unforeseen Items* has not been used to date, there is
 32 no report to file with Newfoundland Power's *2024 Capital Budget Application*.
 33
 34 d) Section V.A.7 of the Provisional Guidelines requires that an allowance for unforeseen
 35 items be approved by the Board for each utility as part of the utility's annual capital
 36 budget application. The budget request for an *Allowance for Unforeseen Items*
 37 therefore remains necessary. For additional details, see the response to Request for
 38 Information PUB-NP-014.

¹ See Newfoundland Power's *2024 Capital Budget Application, Schedule B, page 137*.