

- 1 **Q. (Reference Application) Please provide a table of system upgrades for the**
2 **period 2000 to the present and the percent of increase/decrease year over year**
3 **as the case may be. Please inform as to the rate of inflation year over year in**
4 **the table.**
5
- 6 A. The Provisional Guidelines require all capital expenditures to be organized by investment
7 classification. Newfoundland Power interprets the phrase *system upgrades* as relating to
8 projects in the Service Enhancement investment classification.
9
- 10 Projects completed under the Service Enhancement classification pertain to investments
11 modifying a utility's system to meet system operations requirements in a more efficient
12 and/or effective manner.¹ For example, the *LED Street Lighting Replacement* and
13 *Distribution Feeder Automation* projects, along with the addition of a new portable
14 substation, would be included in Service Enhancements.
15
- 16 Attachment A provides a table of annual capital expenditures associated with the Service
17 Enhancement investment classification, the year-over-year percentage change, and
18 inflation based on the GDP deflator for Canada.²

¹ See the Provisional Guidelines, page 11 of 18.

² Provided by the Conference Board of Canada in its release on February 7, 2023.

ATTACHMENT A:

Service Enhancement Classification: 2000 to 2023F

**Newfoundland Power Inc.
Service Enhancement Expenditures
Including Year over Year Change and Inflation
For the Years 2000 to 2023F**

Year	Actual (\$000s)	Year over Year Change (%)	Inflation¹ (%)
2000	1,118	0	4.30
2001	3,250	191	1.70
2002	1,146	(65)	1.20
2003	1,108	(3)	3.30
2004	57	(95)	3.30
2005	1,141	1,902	3.10
2006	819	(28)	2.60
2007	0	(100)	3.30
2008	607	0	4.00
2009	1,309	116	(2.30)
2010	945	(28)	2.80
2011	1,386	47	3.20
2012	319	(77)	1.20
2013	4,592	1,339	1.70
2014	3,383	(26)	1.90
2015	594	(82)	(0.90)
2016	1,558	162	0.80
2017	901	(42)	2.60
2018	626	(31)	1.60
2019	754	20	1.60
2020	722	(4)	0.60
2021	6,675	825	8.20
2022	6,546	(2)	7.40
2023F	7,070	8	1.50

¹ Based on the GDP deflator for Canada.