

1 **Q. (Reference CA-NP-125) Noting that the actual project cost was 65% over**
2 **budget, why did the issues with the DND not constitute a significant change in**
3 **the project prompting a reassessment and refileing of the project with the**
4 **Board?**
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6 A. The *Transmission Line Extension – 35L* project (the "Project") was a component of the
7 *St. John's North – Portugal Cove System Planning Study* (the "Study"), filed in
8 Newfoundland Power's *2021 Capital Budget Application*.
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10 The Study identified the least-cost alternative to address the overload conditions in the
11 Study area. The Project involved the extension of two new transmission lines to connect
12 a new substation located near the St. John's International Airport. As stated in the
13 response to Request for Information CA-NP-125, the route adjustment for the Project
14 was the only feasible option to connect the new substation to the 66 kV transmission
15 system and the additional costs associated with the revised route did not impact the
16 determination of the least-cost alternative. As the Project was approved as part of the
17 *2021 Capital Budget Application* it was subject to the *2007 Capital Budget Guidelines*.
18 These guidelines had no requirement for Newfoundland Power to seek reapproval of a
19 single-year project due to an expected variance. The variances experienced on the
20 project were reported in the following Capital Expenditure Report pursuant to the *2007*
21 *Capital Budget Guidelines*.