

1 **Q. (Reference Technical Conference and CA-NP-078) In Table 2 the five-year**
 2 **historical average for Relocate/Replace Distribution Lines for Third Parties**
 3 **Program includes a figure of approximately \$6.2 million for 2019 whereas for**
 4 **all other years the expenditure ranges from \$3.2 million to \$3.8 million, all in**
 5 **inflation adjusted terms.**

6 **a) What was the expenditure on this program in 2018 in nominal and 2023**
 7 **dollars?**

8 **b) Newfoundland Power indicates that much the higher expenditure on this**
 9 **program in 2019 was due to an increase in the capital programs of its joint**
 10 **use partners, Bell Aliant and Rogers Communications.**

11 **(i) Have those partners indicated that a similarly large increase will occur**
 12 **in 2024 or 2025 or 2026?**

13 **(ii) Do those joint use partners contribute to the cost of this program? If**
 14 **so, how? If not, why?**

15 **(iii) Please provide a revision of Table 2 with expenditures associated with**
 16 **the joint use partners separated from the remainder of the**
 17 **expenditures.**

18
 19 **A. a) The 2018 expenditure was \$2,496,000 in 2018 dollars and \$3,037,000 in 2023**
 20 **dollars.**

21
 22 **b) (i) Newfoundland Power has not received indication from its joint use partners**
 23 **that a similarly large increase will occur in 2024, 2025 or 2026. Newfoundland**
 24 **Power observes that government initiatives to expand internet access to**
 25 **communities throughout its service territory have led to increased expenditures**
 26 **in recent years. These government initiatives are expected to continue**
 27 **through the Company's five-year capital planning period.**

28
 29 **(ii) All third parties requesting work under the *Relocate/Replace Distribution Lines***
 30 ***for Third Parties* program contribute to the work completed as per**
 31 **Newfoundland Power's *Schedule of Rates, Rules and Regulations* and the terms**
 32 **of the respective agreements.**

33
 34 *As was stated on page 38 of *Schedule B* to Newfoundland Power's *2024 Capital**
 35 *Budget Application:*

36
 37 *The cost of relocating or replacing distribution lines also varies*
 38 *based on the type and quantity of work required. Estimated*
 39 *contributions from customers and requesting parties associated*
 40 *with this [program] are included in the estimated contributions in*
 41 *aid of construction referenced in the Application.*

42
 43 Contributions in aid of construction are reductions against
 44 Newfoundland Power's net plant investment when calculating rate
 45 base.¹

¹ See Newfoundland Power's *2022 Annual Report to the Board, Return 3*, page 1 of 1 for the calculation of net plant investment.

- 1 (iii) Table 2 (revised) below provides the requested data for 2019 through 2022.
 2 Newfoundland Power does not forecast this program by joint use and other
 3 user requirements so it is unable to provide the breakdown requested for 2023
 4 and 2024. Newfoundland Power observes that the majority of costs for this
 5 program have been driven by requests from the joint use partners.

Table 2 (Revised) Relocate/Replace Distribution Lines for Third Parties Program Historical Expenditures (000s)					
Cost	2019	2020	2021	2022	Average
Joint Use					
Nominal	\$4,607	\$2,154	\$2,444	\$2,158	\$2,841
Adjusted ¹	\$5,492	\$2,526	\$2,721	\$2,280	\$3,255
Other					
Nominal	\$585	\$591	\$616	\$897	\$672
Adjusted ¹	\$697	\$693	\$686	\$947	\$756
Total					
Nominal	\$5,192	\$2,745	\$3,060	\$3,055	\$3,513
Adjusted ¹	\$6,189	\$3,219	\$3,407	\$3,227	\$4,011

¹ 2023 dollars.