

- 1 **Q. (Reference Grant Thornton Review of Newfoundland Power’s 2024 CBA) The**
2 **Grant Thornton Review verifies an increase in Newfoundland Power’s average**
3 **rate base of 2.3% from 2021 to 2022.**
- 4 **a) What indications or feedback has Newfoundland Power received from**
5 **Fortis on whether such growth in Newfoundland Power’s rate base is**
6 **consistent with Fortis’s five-year capital plan to grow its rate base by 6.3%**
7 **annually?**
- 8 **b) Is the policy of Fortis that its subsidiaries, including Newfoundland Power,**
9 **should grow their rate bases according to how much capital expenses they**
10 **can get through from a regulated point of view?**
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- 12 **A.** a) The Company has not received indications or feedback from Fortis on whether such
13 growth in Newfoundland Power’s rate base is consistent with Fortis’ five-year capital
14 plan.
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- 16 b) Newfoundland Power’s rate base largely reflects its annual capital expenditures,
17 which are determined in accordance with the provincial power policy. The
18 Company’s capital planning process applies sound engineering and objective data to
19 determine which expenditures are required annually to provide customers with
20 access to safe and reliable service at the lowest possible cost.¹

¹ For more information on the Company’s approach to capital planning, see Newfoundland Power’s *2024 Capital Budget Application, 2024 Capital Budget Overview, Section 2.2 Capital Planning at Newfoundland Power*. See also, the response to Request for Information PUB-NP-008.