

1 **Reference: PUB-NP-007**

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3 **Q. In deciding to defer the four capital projects from 2024 for further**
4 **engineering assessment as explained in this response, how did Newfoundland**
5 **Power determine that each project was not critical and necessary to be done**
6 **in 2024 as originally planned and what the impact of delay would be for each**
7 **project? In the response explain how Newfoundland Power takes the impact**
8 **of delay and the necessity and criticality of the work into account in deciding**
9 **to defer a project.**

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11 A. Through the Company's annual review process, the four capital projects were reviewed,
12 alongside other capital projects identified for 2024 in the *2023-2027 Capital Plan*. In
13 each case, an engineering review, including a review of the latest inspection results of
14 the two substations and two hydro plants indicated that refurbishment was not
15 necessary in 2024.¹ The review also determined that additional engineering analysis, as
16 described in the response to Request for Information PUB-NP-007, was required to
17 determine the least-cost approach for executing each project.

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19 In general, the Company does not complete detailed engineering condition assessments
20 for potential capital projects in the five-year capital plan beyond those proposed for
21 Board approval in the budget year, including multi-year projects.² As a result,
22 Newfoundland Power is unable to quantify the impact of delaying each project outlined
23 in the response to Request for Information PUB-NP-007.

¹ Newfoundland Power's substations are inspected eight times annually. The Company's hydro plants are inspected routinely. The frequency of inspections ranges from twice per week by plant operators for the plant itself, to annual or beyond for civil structures associated with the larger development. See the responses to Requests for Information PUB-NP-035 and PUB-NP-050, respectively.

² Newfoundland Power prepares a five-year capital plan to provide reasonable predictability of future investment priorities. The capital plan incorporates the best available information on future customer, operational and electrical system requirements. All planned investments undergo detailed engineering reviews prior to being submitted for approval to the Board.