

- 1 **Q. (Reference Application) Please confirm that:**
 2 **a) The Board has the authority to take into consideration the current**
 3 **economic climate in the province in its decisions and orders. Has the Board**
 4 **ever done so?**
 5 **b) There is no legislative requirement that NP take into consideration the**
 6 **current economic climate in the province in its decisions and proposals,**
 7 **and as such, does not do so. If NP has in fact done so, please provide**
 8 **examples from the 2025 CBA.**
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10 A. a) Newfoundland Power notes that part a) of this Request for Information ("RFI") is
 11 identical to RFI CA-NP-026 filed in relation to the Company's *2024 Capital Budget*
 12 *Application*. See the response to RFI CA-NP-026 in relation to Newfoundland Power's
 13 *2024 Capital Budget Application*.
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- 15 b) Similar to the Board, Newfoundland Power is required to observe the provincial
 16 power policy as set out in the *Electrical Power Control Act, 1994* (the "EPCA"). The
 17 Company is also required to satisfy its statutory obligation to provide electricity to its
 18 customers in a manner that is safe and adequate and just and reasonable.¹ As a
 19 result of its statutory obligations, Newfoundland Power is required to connect new
 20 customers and provide service that is least-cost.²
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22 As part of its capital planning for access investment classification, Newfoundland
 23 Power utilizes forecasting that relies on economic inputs, such as housing starts from
 24 the Conference Board of Canada. As a result, certain access expenditures (such as
 25 extensions, new transformers and new services) often reflect economic conditions.
 26

27 Additionally, some of Newfoundland Power's capital projects are justified based on
 28 the economic benefit they provide to customers. The *LED Street Lighting*
 29 *Replacement* project which was approved as part of the Company's *2024 Capital*
 30 *Budget Application* and is proposed for approval in the Company's *2025 Capital*
 31 *Budget Application* is an example of such a project.³ This project involves the
 32 replacement of existing High Pressure Sodium ("HPS") street light fixtures with Light
 33 Emitting Diode ("LED") fixtures. LED fixtures require 60% less energy to provide
 34 equivalent lighting and output and require less maintenance. Current customer rates
 35 for LED street lights are between 12% and 44% lower than rates for HPS street
 36 lights.⁴ Additionally, capital expenditures relating to Newfoundland Power's hydro
 37 generating plants also result in the provision of low-cost energy and decreased costs
 38 to customers.

¹ See the *Public Utilities Act*, RSNL 1990, c. P-47, section 37(1).

² See the *Public Utilities Act*, RSNL 1990, c. P-47, section 54(1) and *Electrical Power Control Act, 1994*, SNL 1994, c. E-5.1, section 3(b)(iii).

³ The *LED Street Lighting Replacement* project proposed in the Company's *2025 Capital Budget Application* will provide the full realization of the lower operating and purchased power costs outlined in the six-year *LED Street Lighting Replacement* Plan. The estimate of these customer benefits on Newfoundland Power's annual revenue requirement is approximately \$11 million on a *pro forma* basis. See Newfoundland Power's *2025 Capital Budget Application, 2025 Capital Budget Overview*, page 10.

⁴ See Newfoundland Power's *2024 Capital Budget Application, Schedule B*, page 3.