

1 **Q. (Reference Application Schedule B, page iii) It is stated “*The Assessment of***
 2 ***Alternatives sections discuss only those alternatives the Company has***
 3 ***identified as relevant, and are provided for projects and programs in excess***
 4 ***of \$1 million, with the exception of expenditures classified as Access’.***

5 **a) Please confirm that this same statement was made in NP’s 2023 and 2024**
 6 **CBA’s.**

7 **b) What criteria has Newfoundland Power used to determine if an alternative**
 8 **is “*relevant*”? Are environmental impacts one such criterion?**

9 **c) How has NP incorporated future trends in its assessment? Specifically, has**
 10 **NP considered sensitivity studies relating to shorter asset lifespans in the**
 11 **event that new environmentally sensitive options become available in, for**
 12 **example, the next 10 years?**

13
 14 **A.** Newfoundland Power notes that this Request for Information (“RFI”) is substantively
 15 identical to RFI CA-NP-044 filed in relation to the Company’s *2024 Capital Budget*
 16 *Application.*

17
 18 a) It is confirmed.

19
 20 b) See part b) of the response to RFI CA-NP-044 in relation to Newfoundland Power’s
 21 *2024 Capital Budget Application.*

22
 23 c) Yes, the Company considers future trends in assessing alternatives. For example, the
 24 *Lockston Substation Refurbishment and Modernization* and *Mount Carmel Pond Dam*
 25 *Refurbishment* projects are accompanied by economic and sensitivity analyses to
 26 confirm that continued operation of the hydro plants would provide an economic
 27 benefit for the Company’s customers. The economic analyses are based on expected
 28 future trends in marginal costs. Additionally, the sensitivity analyses for the projects
 29 include a scenario where the economic value of each plant’s production is reduced to
 30 zero upon termination of the Churchill Falls contract in 2041 which, in effect,
 31 represents a shortening of each plant’s service life. In all scenarios, continued
 32 operation of both hydro plants was confirmed to provide an economic benefit for
 33 Newfoundland Power’s customers.¹

34
 35 Newfoundland Power did not identify any instances where proposed capital projects
 36 could be exposed to risk of shorter asset lives due specifically to environmental
 37 considerations; however, the Company would assess the potential risks to its
 38 customers if such considerations were to arise in the future.

¹ See Newfoundland Power’s *2025 Capital Budget Application*, reports *2.1 2025 Substation Refurbishment and Modernization*, Appendix C: *Lockston Substation Refurbishment* and *4.1 Mount Carmel Pond Dam Refurbishment*.