

1 **Q. (Reference Application, Schedule C, page 1 of 9) Why are the Distribution**
2 **Feeder PEP-02 and SMV-01 Refurbishment projects not included under one of**
3 **the distribution renewal programs?**
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5 A. As per the Provisional Guidelines, capital expenditures should be categorized as either a
6 project or program. Projects correspond to individual capital investments, typically of a
7 non-repetitive nature, which are justified and budgeted separately from capital
8 programs. Projects have a defined start and stop date, and a defined budget value over
9 a fixed period. Programs are capital investments comprised of a number of asset-related
10 activities that are high volume, repetitive, like-for-like capital replacements,
11 enhancements or additions that are expected to continue into the foreseeable future.¹
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13 The *Distribution Feeder PEP-02 Refurbishment* project involves replacing deteriorated
14 underground infrastructure on Loop 33 of Pepperrell ("PEP") Substation distribution
15 feeder PEP-02. Loop 33 of distribution feeder PEP-02 is deteriorated and experiencing
16 increased rates of equipment failure. The project is required to address the identified
17 deficiencies and mitigate the risks of equipment failure and potential outages to
18 customers in the Newfoundland Drive area of St. John's. The project has a defined
19 scope, budget and schedule.²
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21 The *Distribution Feeder SMV-01 Refurbishment* project involves replacing deteriorated
22 overhead distribution infrastructure on Summerville ("SMV") Substation distribution
23 feeder SMV-01. Distribution feeder SMV-01 is deteriorated and experiencing increased
24 rates of equipment failure. The project is required to address the identified deficiencies
25 and mitigate risks of equipment failure and potential outages to customers on the
26 Bonavista Peninsula. This project also has a defined scope, budget and schedule.³
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28 Based on Newfoundland Power's interpretation of the definition of a project versus a
29 program, the distribution feeder refurbishments for PEP-01 and SMV-01 were classified
30 as projects.

1 See the Provisional Guidelines, page 12 of 18.

2 See Newfoundland Power's 2025 Capital Budget Application, Schedule C, page 1 of 9.

3 Ibid.