

1 **Q. (Reference Application, Schedule C, page 3 of 9) Why is the Substation**
2 **Ground Grid Upgrades project not included under one of the renewal**
3 **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 *Substation Ground Grid Upgrades* project involves upgrading substation ground
14 grids to ensure compliance with *ANSI/IEEE Standard 80-2013 Guide for Safety in AC*
15 *Substation Grounding*. Deteriorated ground grids in substations can result in unsafe
16 conditions for employees working in the substations with the potential for serious injury
17 or fatality. This project is required to maintain safe and adequate facilities as it will
18 permit the correction of ground grid deficiencies identified at Newfoundland Power's
19 substations. This project has a defined scope, budget and schedule.²
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21 Upgrading the ground grid in a substation improves the safety of the facility and, as
22 such, the *Substation Ground Grid Upgrades* project received the investment classification
23 of Service Enhancement.³ Based on the definition of a project versus a program, the
24 *Substation Ground Grid Upgrades* was classified as a Service Enhancement project.

¹ See the Provisional Guidelines, page 12 of 18.

² See Newfoundland Power's *2025 Capital Budget Application, Schedule C*, page 3 of 9.

³ See the Provisional Guidelines, page 11 of 18.