

1 **Q. (Reference CA-NP-013a)**

2 **It is stated "All projects and associated costs included in the Company's 2025**
 3 **Capital Budget Application are necessary to meet its statutory requirements**
 4 **under the Public Utilities Act and Electrical Power Control Act, 1994 (the**
 5 **"EPCA")."**

6 **a) Please confirm that NP did not meet its statutory requirements in the**
 7 **years 2002, 2003, 2021, 2022 and 2024 when the Board did not approve**
 8 **all capital requested in its CBAs (CA-NP-008).**

9 **b) Please explain how NP is falling short of its statutory requirements in**
 10 **2024 owing to the Board's denial of \$1,000,000 in expenditures for i)**
 11 **Extensions program (\$500,000); ii), Relocate/Replace Distribution Lines**
 12 **for Third Parties program (\$300,000); and iii) New Street Lighting**
 13 **program (\$200,000) (CA-NP-008).**

14
 15 A. a) It is not confirmed. CA-NP-008 identifies differences between Newfoundland Power's
 16 capital budget application filings and approved capital expenditures in the years
 17 2003, 2004, 2022, 2023, and 2024.

18
 19 For details regarding Newfoundland Power's 2003 and 2004 capital budget
 20 applications and approved capital expenditures, see the responses to Requests for
 21 Information CA-NP-119 and CA-NP-117 filed in relation to Newfoundland Power's
 22 *2022 Capital Budget Application*.¹

23
 24 The difference between Newfoundland Power's *2022 Capital Budget Application* and
 25 2022 capital expenditures approved by the Board are in relation to the *Electric*
 26 *Vehicle Charging Network* project. In Order No. P.U. 36 (2021) the Board stated that
 27 the proposed *Electric Vehicle Charging Network* project would be considered at a
 28 later date upon the conclusion of the electrification application filed by
 29 Newfoundland Power.² Capital expenditures associated with the *Electric Vehicle*
 30 *Charging Network* project were subsequently approved by the Board in Order No.
 31 P.U. 30 (2021).³

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 33 The difference between Newfoundland Power's *2023 Capital Budget Application* and
 34 2023 capital expenditures approved by the Board are in relation to additional
 35 electrical vehicle charging infrastructure proposed by the Company. The additional
 36 electrical vehicle charging infrastructure was not approved by the Board, in part due
 37 to concerns related to the Muskrat Falls Project.⁴

38
 39 See the response to part b) in relation to 2024.

1 See Order No. P.U. 36 (2002-2003) in relation to Newfoundland Power's *2003 Capital Budget Application*. See Order No. P.U. 35 (2003) in relation to the Company's *2004 Capital Budget Application*.

2 See Order No. P.U. 36 (2021), page 2, lines 9 to 13.

3 See Order No. P.U. 30 (2021), page 3, lines 21 to 22.

4 See Order No. P.U. 33 (2022), page 13, lines 34 to 37 in relation to Newfoundland Power's *2021 Electrification, Conservation and Demand Management Application*. See also Order No. P.U. 38 (2022), page 29, lines 34-38 in relation to Newfoundland Power's *2023 Capital Budget Application*.

1 b) Newfoundland Power is not falling short of its statutory requirements related to
2 distribution extensions, relocating distribution lines for third parties or street light
3 replacements. The *Extensions, Relocate/Replace Distribution Lines for Third Parties*
4 and *New Street Lighting* programs are all in the Access investment classification. The
5 Provisional Guidelines describe the Access investment classification as "*Investments*
6 *modifying (including asset relocations) a utility's electrical system that a utility is*
7 *obligated to perform to provide a customer (either load or generation customer) or*
8 *group of customers with access to electricity services"* (emphasis added).⁵
9

10 Actual expenditures in the Access investment classification are driven by factors such
11 as customer service requests, third-party infrastructure development and mandated
12 service obligations that occur in a budget year. In the event that actual expenditures
13 for Access investments are greater than the approved expenditures by both 10%
14 and \$100,000, Newfoundland Power will provide a variance explanation in its annual
15 Capital Expenditures Report in accordance with the Provisional Guidelines.⁶

⁵ See the Provisional Guidelines, pages 10 and 11 of 18.

⁶ Ibid, page 7 of 18.