

- 1 **Q. In the Capital Budget Application Guidelines Review, the October 2020**
2 **Midgard Consulting report stated on page 22: "The PUA specifies the**
3 **frequency of Capital Budget Applications and sets materiality thresholds**
4 **requiring approval, however, it does not specify that the NLPUB must review**
5 **and approve expenditures on a line by line basis. Midgard is of the opinion**
6 **that existing legislation enables the NLPUB either to continue with the**
7 **existing itemized explicit project approvals, or alternatively, to approve**
8 **capital budget envelopes that represent all or some portion of the total**
9 **proposed utility budgets. Using the latter approach, utility management may**
10 **need to re-prioritize, modify or defer some projects to meet the approved**
11 **capital budget envelope.**
- 12 **a) Given that the 2025 Capital Budget summary totals the expenditures at**
13 **\$127,951,000.00 and given the trajectory expanding capital budgets well**
14 **into the next six years, should the Public Utilities Board, in an effort to**
15 **balance the interests between ratepayers and the utility, approve a capital**
16 **budget envelope which will require NP to re-prioritize, modify or defer**
17 **some projects to meet the approved capital budget envelope?**
- 18 **b) Should the Board decide that a capital budget envelope is now appropriate**
19 **in these circumstances, is NP prepared to re-prioritize, modify or defer**
20 **some projects at the direction of the Board to meet the approved capital**
21 **budget envelope?**
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- 23 **A. a) Newfoundland Power Inc. ("Newfoundland Power" or the "Company") has previously**
24 **stated its position on the use of capital budget envelopes, as referenced by Midgard**
25 **Consulting.¹ Newfoundland Power is not in a position to speculate on the decisions of**
26 **the Public Utilities Board. The Company will comply with any direction given by order**
27 **of the Board.**
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- 29 **b) See part a).**

¹ See the response to Request for Information CA-NP-134 filed in relation to Newfoundland Power's 2024 Capital Budget Application.