

- 1 **Q. (Reference Application) How has NP ensured that its 2021 Capital Budget provides**
2 **an appropriate balance between reliability and rate impacts? Has NP conducted a**
3 **customer engagement process to make such determinations? Please provide**
4 **customer surveys and documentation relating to direct customer contacts that NP**
5 **has relied upon to determine the appropriate balance between reliability and rate**
6 **impacts. Has NP disclosed in customer surveys the specific costs related to proposed**
7 **expenditures and the impact this will have on rates, short term and long term, and**
8 **please provide examples of same.**
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- 10 A. For information on how Newfoundland Power has ensured that its 2021 Capital Budget
11 provides an appropriate balance between reliability and rate impacts, see response to
12 Request for Information PUB-NP-001.
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- 14 For information on customer engagement and surveys completed by Newfoundland
15 Power, see response to Request for Information CA-NP-008.
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- 17 Newfoundland Power's customer surveys do not include specific costs related to
18 proposed capital expenditures or the impact proposed expenditures will have on customer
19 rates. However, the Company's *2021 Capital Budget Application* is available to
20 customers online via Newfoundland Power's website. It includes: (i) comprehensive
21 information regarding proposed expenditures for 2021; (ii) a *pro forma* revenue
22 requirement estimate related to those expenditures,¹ and (iii) information that shows the
23 long-term impact of Newfoundland Power's operations on customer costs over the last 2
24 decades.²

¹ See *2021 Capital Budget Application, Volume 1, Capital Plan, Section 2.3.2 – Revenue Requirement Perspective*.

² See *2021 Capital Budget Application, Volume 1, Capital Plan, Section 2.3.3 – Customer Rates Perspective*. Newfoundland Power's contribution to average customer rates has increased by approximately 17% over the last 2 decades. On an inflation adjusted basis, the Company's contribution to average customer rates decreased by 20%.