

- 1 **Q.** (Reference Application, 2022 Capital Plan, page 12) It is stated “*the Company’s*
 2 *annual capital investments have averaged approximately \$100 million per year over this*
 3 *period.*” Table 9 indicates that in 2025 and 2026 Newfoundland Power plans to
 4 annually spend over \$128 million in capital expenditures. Please confirm that this
 5 represents an increase in capital spending of more than 28% over average levels
 6 during the period 2014 to 2021.
 7
 8 **A.** Table 1 provides annual capital expenditures for the period 2014 to 2021F.

Table 1
Annual Capital Expenditures
2014 to 2021F
(\$000s)

	2014	2015	2016	2017	2018	2019	2020	2021F	Average
Actual\$	112,564	101,016	101,415	87,607	89,110	109,720	96,986	111,190	101,201
2021\$	124,331	111,411	111,172	93,966	93,640	113,329	99,131	111,190	107,271

9 Capital expenditures during the period 2014 to 2021F range from a low of \$87.6 million
 10 in 2017 to a high of \$112.6 million in 2014. The annual average capital expenditure over
 11 that period is \$101.2 million. It is confirmed that the planned capital expenditures
 12 included in the *2022 Capital Plan* for 2025 and 2026 of \$128.1 million and
 13 \$128.4 million, respectively, are approximately 26.9% higher than the annual average
 14 capital expenditure for the period 2014 to 2021F on a non-inflation adjusted basis.
 15

16 On an inflation adjusted basis, in 2021 dollars, capital expenditures during the period
 17 2014 to 2021F range from a low of \$93.6 million in 2018 to a high of \$124.3 million in
 18 2014. The annual average capital expenditure over that period, on an inflation adjusted
 19 basis, is \$107.3 million. Newfoundland Power observes that planned capital expenditures
 20 included in the *2022 Capital Plan* for 2025 and 2026 are 8.7% higher on an inflation
 21 adjusted basis.
 22

23 See response to Request for Information CA-NP-056 for a comparison of actual and
 24 planned capital expenditures for the period 2007 to 2026F.