

1 **Q. (Reference CA-NP-074) Have any projects that were approved by the Board in**
2 **previous Newfoundland Power CBAs been deferred? If so, please provide a list of**
3 **such projects along with the reasons why they were deferred.**
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5 A. Newfoundland Power has only deferred one approved capital project in recent years: the
6 *Outage Management System Replacement* project filed with its *2016 Capital Budget*
7 *Application*.
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9 In 2014, Newfoundland Power envisaged that replacement and enhancement of its
10 Outage Management System (“OMS”) would occur in stages over 5 years. Replacement
11 of the existing OMS would be undertaken first, followed by appropriate enhancements.
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13 The Board approved the Company’s proposal to replace its existing OMS with a
14 commercially available product in Order No. P.U. 28 (2015). The replacement project
15 included integrating the new OMS with Newfoundland Power’s SCADA system and
16 Geographic Information System. It did not include enhanced functionality, such as the
17 ability to automatically predict outage cause and location. Such functionality was
18 indicated to be *potential future* enhancements.
19

20 During the 2nd half of 2016, the Company was required to reassess its information
21 technology priorities, primarily in light of the programming requirements associated with
22 Newfoundland and Labrador Hydro’s Rate Stabilization Plan Surplus Refund. This
23 reassessment delayed meaningful progress on planning for the OMS replacement project
24 until December 2016.
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26 At the end of the 1st quarter of 2017, the Company issued a Request for Proposals relating
27 to OMS replacement and enhancement options. The inclusion of enhancement options
28 reflected a combination of: (i) an assessment of the existing commercial OMS
29 marketplace; and (ii) delays in progress on the OMS replacement project. The responses
30 to the Request for Proposals indicated that combining OMS replacement and
31 enhancement best met Newfoundland Power’s outage management requirements at that
32 time. Such an approach was also consistent with the 5-year OMS replacement and
33 enhancement timeline envisaged in 2014. The Board approved the OMS replacement
34 and enhancement project in Order No. P.U. 37 (2017).
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36 In addition, certain capital projects may not be fully completed in the year in which they
37 are approved and therefore require expenditures in subsequent years. This may occur for
38 a variety of reasons.¹ These are referred to as carryovers and are reported in the
39 Company’s annual capital expenditure reports in compliance with the prior year’s capital
40 budget order.²

¹ These reasons typically include practical issues that can occur during project execution, such as resources diverted to address unplanned events like storms, longer than anticipated material deliveries, and delays in receiving permits from government agencies.

² Newfoundland Power’s capital expenditure reports are filed within the first 60 days of the year.