

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18, 2021**

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3 **Please describe the considerations, review, and approval process that takes place at**  
4 **the senior management/executive level in scrutinizing Newfoundland Power's**  
5 **Capital Budget Application, in particular, the level of investment that is requested**  
6 **on an annual and five-year plan basis.**

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8 A. Newfoundland Power’s senior management is focused on maintaining current levels of  
9 overall service reliability for customers at the lowest possible cost. The Company’s  
10 annual capital expenditures are consistent with this objective.

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12 The preparation of Newfoundland Power’s annual capital budget, and its 5-year capital  
13 plan, is a collaborative process between managers and senior management to determine  
14 the nature, scope and timing of capital projects. The overall level of capital expenditures  
15 required in a given year is principally driven by: (i) system growth, including new  
16 customer connections and localized areas of load growth; and (ii) the condition of  
17 electrical system assets and requirements for replacement or refurbishment.

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19 See response to Request for Information CA-NP-008 for information on the process used  
20 by managers and senior management to prioritize or defer capital projects.

21  
22 See response to Request for Information NLH-NP-042 for information on the  
23 considerations managers and senior management apply to balance the cost and reliability  
24 of the service provided to customers.