

- 1 **Q. (Reference CA-NP-095) It is stated “As such, annual variances greater than**
2 **10% and \$100,000 for 2022 projects and programs are typically not known at**
3 **that time.” What then is the value and purpose of this report?**
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- 5 A. The *2022 Capital Expenditure Status Report* is filed in compliance with the directive of
6 the Board contained in paragraph 6 of Order No. P.U. 36 (2021).
7
- 8 The *2022 Capital Expenditure Status Report* is one way that the Board maintains
9 oversight of the Company’s annual capital expenditures and provides safeguards to
10 ensure expenditures are consistent with budgets approved by the Board.¹ If a
11 project/program expenditure is forecast to exceed 10% and \$100,000 of the approved
12 budget at the time of filing the report, the annual forecast is adjusted and a variance
13 explanation is provided.

¹ The Board also requires the Company to file a report on actual capital expenditures for the previous year by March 1st each year.