

1 **Q. (Reference Application, para. 10)**  
2

3 **Of the \$1,614,000 in funding being requested, \$48,000 is for 2023. A \$750,000**  
4 **Allowance of the Unforeseen Items for 2023 was contained in NP’s 2023**  
5 **Capital Budget Application and approved by the Board. If the Supplemental**  
6 **Application is approved, would NP draw on the Allowance for Unforeseen Items**  
7 **for its 2023 expenditure on the MUN-T2 replacement?**  
8

9 A. No, Newfoundland Power does not intend to draw on its *Allowance for Unforeseen Items*  
10 to replace MUN-T2.  
11

12 The Board’s *Capital Budget Application Guidelines (Provisional)* state that the purpose of  
13 the *Allowance for Unforeseen Items* is to:

14  
15 *"permit the utility to act expeditiously to deal with events affecting the electrical*  
16 *system which cannot wait for the specific approval of the Board. The allowance*  
17 *should be used only for expenditures which are so urgent that any delay would*  
18 *have serious negative consequences."*<sup>1</sup>  
19

20 With MUN-T2 deenergized, Memorial University continues to receive service via MUN-T1  
21 and the redundancy provided by Long Pond Substation. Accordingly, by  
22 Newfoundland Power’s assessment, the circumstances did not present the urgency  
23 required to draw on its *Allowance for Unforeseen Items*.

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<sup>1</sup> See the Board’s *Capital Budget Application Guidelines (Provisional)*, effective January 2022, page 5.