

1 **Q. (Reference Application) Please confirm that the application is in no way**
2 **influenced by the current economic climate in the province. Does the Board**
3 **have the authority to take into consideration the current economic climate in**
4 **the province in its decisions and orders?**
5

6 A. This is not confirmed. Projects included in the *2023 Capital Budget Application*
7 incorporate specific economic inputs for Newfoundland and Labrador. For example, the
8 budgets for *Extensions, New Services and New Meters* are based on forecast number of
9 new customer connections which are derived from economic data published by the
10 Conference Board of Canada, such as housing starts. These budgets also rely on
11 inflation data provided by the Conference Board of Canada.
12

13 Further, projects in the *2023 Capital Budget Application* also consider localized overload
14 conditions. For example, a section of Pulpit Rock Substation distribution feeder PUL-01
15 will be upgraded from single-phase to three-phase to address an overload condition that
16 has developed as a result of customer connection growth in the area of Marine Drive.¹
17

18 More generally, Newfoundland Power's capital planning process is consistent with its
19 objective of maintaining reliable service for its customers at the lowest possible cost in
20 all economic conditions.²
21

22 The Board is required to observe the power policy as set out in the *Electrical Power*
23 *Control Act, 1994* and to apply tests that are consistent with generally accepted sound
24 public utility practice in carrying out its duties and exercising its powers.³

¹ See the *2023 Capital Budget Application, Schedule B*, page 17. Load growth on this single-phase line can be attributed to customer connection growth in the Jones Pond Park Subdivision as well as large home renovations and electrical service upgrades in the area of Marine Drive.

² See the response to Request for Information CA-NP-011 for further information on the Company's capital planning processes and examples of proposed capital expenditures that reduce costs to customers.

³ See sections 3 and 4 of the *Electrical Power Control Act, 1994*.