

1 **Q. (Reference Application Schedule B, page iv) It is stated "Newfoundland Power**
 2 **submits that overall the Application includes comprehensive information that**
 3 **clearly describes the Application's proposals and demonstrates that all**
 4 **proposed capital expenditures are necessary to provide customers with access**
 5 **to safe and reliable service at the lowest possible cost."**

6
 7 **a) Please confirm that the application does not meet the requirements set**
 8 **out in the Provisional Guidelines.**

9 **b) Please confirm that the projects included in the application have not**
 10 **been discussed with customers in terms of service improvement versus**
 11 **cost.**

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 13 A. a) The Board issued Provisional Guidelines on December 20, 2021. The Board's
 14 accompanying correspondence stated:

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 16 *"The Board acknowledges that the provisional guidelines will require a*
 17 *new approach which may be challenging to implement fully in 2022.*
 18 *While strict adherence to all aspects of the provisional guidelines may*
 19 *not be possible, the Board asks that the stakeholders make best efforts*
 20 *to respect the spirit and intent of the guidelines."*

21
 22 Further, section V.A.1.b. of the Provisional Guidelines states:

23
 24 *"Where a utility is not able to provide the required information it shall*
 25 *provide an explanation as to why the information cannot be provided*
 26 *as well as the basis upon which the proposals should be approved in*
 27 *the absence of this information."*

28
 29 Newfoundland Power has complied with the spirit and intent of the Provisional
 30 Guidelines. If required information was not available, the Company endeavoured
 31 to provide alternate information and has provided the basis upon which the
 32 proposals should be approved in those circumstances.

33
 34 The Company has provided a summary of the *2023 Capital Budget Application's*
 35 compliance with the Provisional Guidelines, which is provided as Attachment A to
 36 Newfoundland Power's June 29, 2022 correspondence filed with its *2023 Capital*
 37 *Budget Application.*

38
 39 b) The nature of Newfoundland Power's engagement with its customers can vary
 40 depending on the type of information required in developing a capital project.
 41 For example, the *LED Street Lighting Replacement* project included engagement
 42 with street lighting customers on the costs and benefits of LED street lighting
 43 and that project ultimately received a letter of support from the largest municipal
 44 organization in the province, Municipalities Newfoundland and Labrador.
 45 For more information on how customer preferences are incorporated into the
 46 *2023 Capital Budget Application*, see the response to Request for Information
 47 CA-NP-016.