

- 1 **Q. (Reference Application, para. 2)**  
 2 **a) Is NP requesting Board approval of capital expenditures totaling**  
 3 **\$184,209,000 in the 2025 Capital Budget Application including**  
 4 **\$164,498,000 in new expenditures (includes \$55,961,000 which would be**  
 5 **expended in 2026 and 2027) and \$19,711,000 for projects that were**  
 6 **previously approved by the Board?**  
 7 **b) Please provide a comparison of the expenditures in part a) relating to the**  
 8 **2025 CBA to comparable figures in the 2024 CBA, both proposed and**  
 9 **approved, and show the increase in both dollars and percent.**  
 10 **c) Please identify any other capital expenditures in 2025 that are not**  
 11 **included in these figures such as expenditures for which NP anticipates**  
 12 **seeking approval through supplemental capital budget applications.**  
 13 **d) NP indicates (Application, para. 3) that in 2025 it intends to demand \$2.5**  
 14 **million in contributions in aid of construction from its customers. Does this**  
 15 **mean that of the \$184,209,000 expenditure proposed in the 2025 CBA, the**  
 16 **amount of \$181,709,000 (i.e., \$184,209,000 - \$2,500,000) will be added**  
 17 **to rate base and that \$2,500,000 will not be added to rate base?**  
 18 **e) The \$297,000 for 2026 identified in para. 2(d) is not mentioned in para. 9.**  
 19 **Please clarify.**
- 20  
 21 **A. a) See the response to Request for Information CA-NP-057, part b).**  
 22  
 23 **b) Table 1 provides a comparison of the expenditure types proposed in the 2024 Capital**  
 24 **Budget Application and the 2025 Capital Budget Application.**

Table 1:  
2024 and 2025 Capital Budget Applications  
Comparison by Expenditure Type

Expenditure Type	2024 Budget (\$000s)	2025 Budget (\$000s)	Variance (\$000s)	Percent Change
Previously Approved Expenditure in Budget Year	14,921	19,414	4,493	30%
New Expenditure in Budget Year	100,331	108,537	8,206	8%
<b>Total Capital Proposed for Current Budget Year</b>	<b>115,252</b>	<b>127,951</b>	<b>12,699</b>	<b>11%</b>
Previously Approved Expenditure in Future Years	0	297	297	-%
New Expenditure in Future Years	19,711	55,961	36,250	184%
<b>Total Capital Proposed for Future Budget Years</b>	<b>19,711</b>	<b>56,258</b>	<b>36,547</b>	<b>185%</b>

- 25 c) Newfoundland Power files supplemental capital expenditure applications to address  
 26 necessary capital expenditures that were not included in its annual capital budget  
 27 applications. Such capital expenditure applications could be required for various

- 1 reasons, including to address unanticipated equipment failures or to connect new  
2 customers to the electricity system.  
3
- 4 Newfoundland Power cannot confirm that additional supplemental capital  
5 expenditures will be required in the 2024 or 2025 capital budget years. If the need  
6 for supplemental capital expenditures does arise during that period, the Company  
7 will file a supplemental capital expenditure application in accordance with the  
8 Board's Provisional Guidelines.
- 9 d) Contributions in aid of construction are reductions against Newfoundland Power's net  
10 plant investment when calculating rate base.<sup>1</sup> As such, actual contributions received  
11 in 2025 will reduce the Company's total rate base in that year.<sup>2</sup>  
12
- 13 e) Paragraph 2 is a summary of the entire proposed budget, which includes proposed  
14 multi-year projects and ongoing multi-year projects previously approved for both  
15 2026 and 2027. Paragraph 9 is a summary of the capital expenditures to be  
16 completed in 2025. Since the amount of \$297,000 is proposed for capital work to be  
17 completed in 2026, it is not included in this paragraph.

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<sup>1</sup> See Newfoundland Power's *2023 Annual Report to the Board, Return 3*, page 1 for the calculation of net plant investment.

<sup>2</sup> Similar to capital budget expenditures, the \$2.5 million in contributions in aid of construction is a budget estimate. The impact on the Company's rate base will depend on the actual capital expenditures for completed projects and the actual contributions in aid of construction in 2025.