

- 1 **Q. (Reference Application, 2025 – 2029 Capital Plan, page 1) It is stated “The**
2 **company’s current capital plan forecasts average annual investments of**
3 **approximately \$163 million from 2025 to 2029.”**
4 **a) Was the approved 2024 capital budget \$114,252,000?**
5 **b) Is an average annual investment from 2025 to 2029 of \$163 million about**
6 **\$48,748,000, or 42.7%, greater than the approved 2024 capital budget?**

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8 A. a) No. The approved capital budget for 2024 was \$115.8 million. This includes the
9 2024 annual capital budget amount of \$114.2 million approved by the Board in
10 Order No. P.U. 2 (2024) and the 2024 supplemental capital budget amount of \$1.6
11 million for the *MUN-T2 Power Transformer Replacement* project approved by the
12 Board in Order No. P.U. 14 (2023).
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14 b) No. The average annual investment from 2025 to 2029 is an increase of \$47.2
15 million, or 40.7% over the approved capital budget for 2024. On an inflation-
16 adjusted basis, the average annual investment from 2025 to 2029 is \$152.0 million.
17 This is an increase of \$36.2 million, or 31.2% over the approved capital budget for
18 2024.

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20 The annual capital budget amounts from 2025 to 2029 reflect the Company’s
21 forecast investment required to continue providing customers with access to safe
22 and reliable service at the lowest possible cost in an environmentally responsible
23 manner. For example, it includes the planned replacement of the Company’s existing
24 Greenhill and Wesleyville gas turbines in 2028 and 2029. The cost of replacing these
25 gas turbines is approximately \$50 million and \$45 million, respectively.¹

¹ See Newfoundland Power’s *2025 Capital Budget Application, 2025-2029 Capital Plan, Section 3.3.5 Generation*.