

- 1 **Q. (Reference Application, 2023 Capital Expenditure Report, page 1 of 14)**
2 **a) Is NP required to seek Board approval of the \$1,258,000 difference**
3 **between Actual and Approved capital expenditure before it can be added**
4 **to rate base?**
5 **b) Is NP required to seek Board approval of carry-over amounts? If so, what**
6 **are the conditions for approval?**
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8 A. a) No, the Company is not required to seek Board approval of variances between actual
9 and approved capital expenditures or carry-over amounts for approved capital
10 projects that have not been fully completed by the end of the budget year.
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12 The Provisional Guidelines require that variances in actual results from approved
13 budget amounts that are in excess of 10% and \$100,000 require the utility to
14 provide a full explanation of the reason for the variance setting out any change in
15 scope, schedule and budget to the Board.¹
16
17 b) See part a).

¹ See the Provisional Guidelines, page 7 of 18.