

1 **Q. (Reference Application, Schedule C, page 5 of 9) Why are the Hydro Plant**
2 **Replacements Due to In-Service Failures program and the La Manche Canal**
3 **Bridge Replacement project not included under a generation renewal**
4 **program?**

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6 A. Newfoundland Power observes that the *Hydro Plant Replacements Due to In-Service*
7 *Failures* program is categorized as a program with the investment classification of
8 renewal.
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10 As per the Provisional Guidelines, capital expenditures should be categorized as either a
11 project or program.¹ Projects correspond to individual capital investments, typically of a
12 non-repetitive nature, which are justified and budgeted separately from capital
13 programs. Projects have a defined start and stop date, and a defined budget value over
14 a fixed period. Programs are capital investments comprised of a number of asset-related
15 activities that are high volume, repetitive, like-for-like capital replacements,
16 enhancements or additions that are expected to continue into the foreseeable future.²
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18 The *La Manche Canal Bridge Replacement* project does not fit within the definition of
19 work eligible for inclusion within a program as that term is defined in the Provisional
20 Guidelines. It is therefore classified as a project.

¹ See the Provisional Guidelines, page 12 of 18.

² Ibid.