

1 **General**

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3 **Q. Newfoundland Power's 2025 Capital Budget Application is the second budget**
4 **filed since the increase in the threshold approval amount to \$750,000. How**
5 **has this impacted Newfoundland Power's capital budget process?**
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7 A. In 2023, the threshold over which public utilities must seek the prior approval of the
8 Board before proceeding with a capital expenditure was increased from \$50,000 to
9 \$750,000.¹ The increase in the threshold amount has not substantially affected the
10 Company's capital budgeting process. Newfoundland Power continues to adhere to a
11 rigorous and transparent process to identify, prioritize, and justify its capital
12 expenditures based on customer needs, asset condition, and regulatory obligations. The
13 primary difference following the increase in threshold is a reduction in the administrative
14 effort associated with preparing project reports for submission to the Board.

¹ See the *Public Utilities Regulations*, section 3.