

1 **Section 2: Customer Operations/Capital Expenditures**

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3 **Q. (Section 2) Has there ever been a year since the current regulatory framework has**
4 **been in place that Newfoundland Power’s annual capital expenditure did not lead to**
5 **an increase in its rate base?**

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7 A. Newfoundland Power’s plant investment is the fundamental component of its rate base.
8 As such, annual capital expenditures result in annual increases in the Company’s rate
9 base.