

1 **Section 2: Customer Operations/Capital Expenditures**
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3 **Q. (Section 2) In light of Newfoundland Power's forecasts of modest growth in energy**
4 **sales in 2025 and a decline in 2026, how has it adjusted its capital expenditure**
5 **plans?**
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7 A. Newfoundland Power has an obligation to provide customers with equitable access to an
8 adequate supply of power.¹ Capital investments are required annually to connect new
9 customers to the electrical system and to respond to increases in electrical system load.²
10 The Company has experienced declining requests for new service connections in recent
11 years due to a decrease in new home construction throughout its service territory. At the
12 same time, system load growth has been concentrated in urban areas.³ These trends are
13 expected to continue.⁴ For additional information, see the response to Request for
14 Information PUB-NP-052.

¹ See section 3(b) of the *Electrical Power Control Act, 1994*.

² Newfoundland Power's system load forecast reflects the latest Customer, Energy and Demand Forecast. The Customer, Energy and Demand Forecast estimates new customer connections that are expected over the next five years based on economic inputs from the Conference Board of Canada.

³ Approximately \$3 million of investments in each of 2027 and 2028 relate to transformer capacity additions at Kelligrews and Hardwoods substations to respond to load growth on the Northeast Avalon.

⁴ System load growth is expected to continue to be driven by residential development in urban areas, government plans to electrify heating systems in provincial buildings, and residential electrification of heating systems.