Q. (Reference Application)

On December 20, 2021, the Board issued its Provisional Capital Budget Application Guidelines, stating in its cover letter that "*The Board will establish the process for the conclusion of the capital budget guidelines review next year when there is more clarity as to the scope of the Government's review and the impact of the renewable energy plan*." What direction, if any, has NP received with respect to guidelines that are to be used in NP's 2027 capital budget? Please provide any relevant direction that NP has received.

A. The Board's Capital Budget Application Guidelines (Provisional), effective January 2022 (the "Provisional Guidelines"), state: "*These guidelines apply to utility capital expenditure applications filed for approval of the Board pursuant to section 41 of the Public Utilities Act*." Newfoundland Power has prepared its *2027 Capital Budget Application* in accordance with the Provisional Guidelines. Newfoundland Power received guidance from the Board in its letter dated June 12, 2023, in which the Board stated, "*The 2024 Capital Budget Applications should be filed adhering to the current provisional guidelines effective as of January 2022*."

Newfoundland Power notes that the Board has stated that the Provisional Guidelines were not an issue in Newfoundland Power's *2025 Capital Budget Application* proceeding and will continue to be addressed in a separate process with the participation of all interested parties.[1]

The Board's 2026-29 Activity Plan, dated March 31, 2026, and provided to Newfoundland Power and other parties on July 20, 2026, states:

> "*The capital budget guidelines for the utilities have been provisional since 2022 and require revisions. Changes are required to streamline request for information processes, provide guidance on when information may be maintained as confidential, and update reporting requirements for excess expenditures on capital projects that previously did not require Board approval.*"[2]

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[1] See Board Order No. P.U. 38 (2025), page 15, lines 20-21.

[2] The 2026-29 Activity Plan indicates that the Board will have updated the utility capital budget filing guidelines by March 31, 2028.