

Q. (Reference 2027-2031 Capital Plan)

It is stated (page 1) "*The Company's current capital plan forecasts average annual investments of approximately \$207 million from 2027 to 2031.*"

- a) Please confirm whether this represents an increase of more than 20% relative to the five-year plan submitted last year for the 2026 to 2030 period. Please explain the factors arising since last year that account for this increase.**
- b) How does this increase compare to average annual expenditures (nominal) over the past 5 years?**
- c) Has the Asset Management Technology Replacement Project impacted capital costs going forward? Does the project enable NP to better manage costs?**

- A.** a) Newfoundland Power confirms that the forecast average annual investments of approximately \$207 million from 2027 to 2031 is approximately 20% higher than the forecast average annual investments of approximately \$172 million from 2026 to 2030.¹

The increase in the forecast average annual investments is impacted by the planned refurbishment of the Wesleyville and Greenhill thermal generation facilities. In the *2026 Capital Budget Application*, costs associated with these planned refurbishments totaled approximately \$125 million.² The *2027-2031 Capital Plan* outlines planned investments of \$231 million for the refurbishment of thermal generation facilities at Wesleyville and Greenhill.³ This is an increase of \$106 million, and accounts for approximately 61% of the total increase in the forecast average annual investments over the *2026-2030 Capital Plan*. Excluding planned refurbishments of the thermal generation facilities from both five-year capital plans, the overall increase from 2026-2030 to 2027-2031 is approximately 9%.⁴ Of the remaining overall increase from 2026-2030 to 2027-2031, approximately two thirds is related to inflationary increases.

¹ $(207 - 172) / 172 = 0.203$ or 20%.

² See the *2026 Capital Budget Application, 2026-2030 Capital Plan*, Appendix A, pages A-3 and A-5.

³ See the *2027 Capital Budget Application, 2027-2031 Capital Plan*, page 1.

⁴ The 2026-2030 forecast average annual investment excluding planned thermal generation refurbishments is approximately \$147 million. The 2027-2031 forecast average annual investment excluding planned thermal generation refurbishments is approximately \$160 million. $(160 - 147) / 147 = 0.0884$ or 9%.

- b) Table 1 provides the nominal forecast average annual expenditures from the *2023-2027 Capital Plan* to the *2027-2031 Capital Plan*.

Table 1 Nominal Average Annual Expenditures	
Capital Plan Range	Average (\$000s)
2023-2027	130.2
2024-2028	131.2
2025-2029	163
2026-2030	172
2027-2031	207

- The forecast average annual expenditures for 2027-2031 is higher than previous years. As stated in part a) this is primarily attributable to the planned refurbishment of thermal generation facilities and inflationary increases.
- c) See the response to Request for Information CA-NP-012 for expected impacts and benefits following the completion of the *Asset Management Technology Replacement* project.