Q. **(Reference CA-NP-003; CA-NP-016) CA-NP-003 provides an estimated annual revenue-requirement impact of the proposed 2027 capital expenditures. CA-NP-016 provides forecast average annual capital expenditures under successive five-year capital plans and explains that a material portion of the increase in the 2027–2031 forecast relates to the Wesleyville and Greenhill thermal refurbishment projects.**

a) In developing the 2027–2031 Capital Plan, please explain whether NP prepared a forecast of the resulting annual impacts on: i) average rate base; ii) depreciation expense; iii) financing costs and/or return; iv) income taxes; and v) overall revenue requirement. If yes, provide a table that consolidates the forecast for each year from 2027 through 2031. If not, please explain how NP assesses the cumulative financial and revenue requirement consequences of its five-year capital plan.

b) Please identify any financial targets, guidelines, constraints or other criteria relating to capital expenditures, rate-base growth, revenue-requirement growth or customer rate impacts that are considered by NP when assessing the aggregate financial consequences of the five-year capital plan. If no such targets, guidelines, constraints or criteria are used, please confirm and explain how NP otherwise determines that the aggregate financial consequences of the five-year capital plan are reasonable for customers.

c) Please identify any capital expenditure considered otherwise supportable for 2027 that was deferred, reduced or re-phased principally because of its financial, revenue-requirement or customer-rate consequences. If none, please confirm.

A. a) The Company prepared its *2027 Capital Budget Application* in accordance with the Provisional Guidelines. The Provisional Guidelines require a revenue requirement impact analysis assuming that the 2027 capital budget is approved, as opposed to the *2027-2031 Capital Plan*.[1]

Detailed multi-year revenue requirement assessments are completed and filed with the Board as part of general rate applications.

b) See part b) of the response to Request for Information CA-NP-080.

c) It is confirmed that no 2027 justified capital expenditures were deferred solely based on revenue requirement impacts. The Board has recognized that justified capital expenditures are part and parcel of minimizing revenue requirements and therefore providing least-cost electricity to customers. See part c) of the response to Request for Information CA-NP-080 for further information. For further information on deferred, modified and advanced capital expenditures for 2027, see Appendix B of the *2027 Capital Budget Overview*.

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[1] See *Appendix A: I.C. Rate Impact Summary of the Provisional Guidelines*.