Q. **(Reference Application, paragraphs 2, 4 and 9; Schedule A, 2027 Capital Budget Summary; 2027 Capital Budget Overview, Appendix C; CA-NP-013; CA-NP-014) The Application seeks $149.349 million for 2027. Many items share risk scores, and Newfoundland Power cannot calculate risk mitigation per dollar. Paragraph 9(b) also appears to seek future-year approval of amounts already approved for ongoing projects rather than the future costs of projects commencing in 2027.**

a) File the portfolio priority list or decision record. For each item not previously committed, show 2027 and total cost, classification, risk score, priority, mandatory or deferrable status, and consequence of one-year deferral. If no consolidated ranking exists, explain how tied items were selected and sequenced.

b) Identify recommended deferrals under 95% and 90% budget scenarios, excluding legal or contractual commitments. Show the resulting budget, savings, revised dates and risk consequences, and identify non-deferrable items.

c) Update CA-NP-013, Attachment A for each previously approved multi-year project, showing approved budget, actuals, 2027-2028 forecast, forecast at completion, variance, contingency, in-service date and material changes. Flag variances exceeding both guideline thresholds and reconcile them with paragraph 4 of the Application.

A. Newfoundland Power notes that it filed an amended Application on July 27, 2026 with its responses to the first round of Requests for Information, which corrected errors in paragraph 9(b) of the originally-filed Application. The amended Application seeks approval of proposed multi-year construction and purchase of improvements or additions to property for future years in the amount of $23,304,000 in 2028 and $12,867,000 in 2029, as set out in Schedules A and B to the Application.

a) Newfoundland Power has interpreted the request for the decision record to pertain to previously approved multi-year projects. As stated in the response to Request for Information CA-NP-013, the decision record for the previously approved multi-year projects is contained within the referenced Board orders, specifically Board Order Nos. P.U. 38 (2025) and P.U. 27 (2024).

Newfoundland Power has interpreted the request for information pertaining to "each item not previously committed" as expenditures associated with new capital projects and programs in 2027, including new multi-year capital projects commencing in 2027. Table 1 on the following page identifies the location of each requested information item.

Table 1 Location of Requested Information		
Item	Location in the 2027 Capital Budget Application	Page Number
2027 and Total Cost	Schedule A	Pages 1-7
Classification	2027 Capital Budget Overview, Appendix A	Pages A-1 to A-6
Risk Score	2027 Capital Budget Overview, Appendix C	Page C-6
Priority	2027 Capital Budget Overview, Appendix C	Page C-6

Newfoundland Power submits that all projects and programs proposed as part of the *2027 Capital Budget Application* represent the capital additions necessary to continue providing safe and reliable service to customers at the lowest possible cost and to ensure that customers continue to have equitable access to an adequate supply of power and therefore cannot be deferred. There are three capital projects classified as Mandatory, pursuant to the Provisional Guidelines, which total $5,999,000 in 2027. These projects include *General Expenses Capitalized*, *Allowance for Unforeseen Items*, and *Allowance for Funds Used During Construction*.

Newfoundland Power is unable to quantify the consequences associated with deferring proposed capital projects commencing in 2027 by one year. In accordance with the Provisional Guidelines, an assessment of alternatives was completed for capital projects and programs with materiality greater than $1,000,000. These assessments established that for each proposed capital project and program, deferral was not a viable option in light of the obligation to provide safe, reliable service to customers at the lowest possible cost.[1]

Newfoundland Power has interpreted the request to "explain how tied items were selected and sequenced" as a request to explain how proposed capital projects and programs with the same risk score were selected and sequenced. Newfoundland Power's risk matrix methodology was developed in 2022 to comply with the spirit and intent of the Board's Provisional Guidelines. The risk matrix methodology is designed to assess the risks of not proceeding with capital projects and programs in the Renewal, Service Enhancement and General Plant investment classifications.

Using the risk matrix, capital projects and programs can receive a score of 1 to 25. These scores span four levels of priority: (i) Low priority, which includes scores of 1 to 4; (ii) Medium priority, which includes scores of 5 to 9;

[1] See the *2027 Capital Budget Application*, *Schedule B*.

(iii) Medium-High priority, which includes scores of 10 to 16; and (iv) High priority, which includes scores of 20 or 25.
The risk matrix methodology provides reasonable consistency in communicating the results of risk assessments across asset classes for proposed capital expenditures. While consistency across asset classes allows proposed expenditures to be presented in the form of a prioritized list, Newfoundland Power's capital planning process focuses on the prioritization of capital expenditures within asset classes based on engineering reviews, inspection data, and other criteria.

Generally, projects and programs with the same level of priority present comparable degrees of risk to the safe and reliable delivery of service to customers. The order in which proposed capital projects and programs are presented in Appendix C of the *2027 Capital Budget Overview* does not reflect any prioritization among capital projects or programs with the same risk score.

All projects and programs proposed as part of Newfoundland Power's *2027 Capital Budget Application* have been prioritized as necessary in a manner that is consistent with the Company's statutory obligations under the *Public Utilities Act* and the *Electrical Power Control Act, 1994*.

b) Newfoundland Power cannot offer details on how it would proceed under the hypothetical scenarios presented in this request. As stated in part a) of this response, all projects and programs proposed as part of the *2027 Capital Budget Application* are necessary to continue providing safe and reliable service to customers at the lowest possible cost and to ensure that customers continue to have equitable access to an adequate supply of power.

c) Attachment A provides the requested updated information. As stated in Paragraph 4 of the Application, there has been no change in the scope, nature or magnitude of the previously approved multi-year capital projects.

ATTACHMENT A:

Previously Approved Multi-Year Project Information

CA-NP-089											
Name	**Order Number**	**Total Approved Expenditure**	**Actual Expenditures**		**Forecast Expenditures**		**Final Forecast Expenditures**	**Variance**	**Contingency**	**Original Schedule**	**Expected In-Service Date**
			2025	**2026**	**2027**	**2028**					
Feeder Additions for Load Growth	P.U. 38 (2025)	1,137	-	4	887	-	1,137	-	171	2026-2027	2027
Greenspond Substation Refurbishment and Modernization	P.U. 38 (2025)	2,952	-	37	2,578	-	2,952	-	509	2026-2027	2027
Gander Substation Power Transformer Replacement	P.U. 27 (2024)	4,185	18	7	263	-	4,185	-	419	2025-2027	2027
Molloy's Lane Substation Power Transformer Replacement	P.U. 38 (2025)	2,801	-	0	2,789	-	2,801	-	280	2026-2027	2027
Lewisporte-Boyd's Cove 138 kV Conversion	P.U. 38 (2025)	8,119	-	43	7,551	-	8,119	-	1,127	2026-2027	2027
Substation Spare Power Transformer Inventory	P.U. 38 (2025)	3,919	-	11	3,906	-	3,919	-	198	2026-2027	2027
Mobile Plant Substation Power Transformer Replacement	P.U. 38 (2025)	2,627	-	-	93	2,522	2,627	-	263	2026-2028	2028
King's Bridge Substation Power Transformer Replacement	P.U. 38 (2025)	2,971	-	-	93	2,866	2,971	-	297	2026-2028	2028
New Transmission Line from Lewisporte to Boyd's Cove	P.U. 27 (2024)	20,722	350	165	9,553	-	20,722	-	4,144	2025-2027	2027
Transmission Line 100L Rebuild	P.U. 38 (2025)	13,773	-	7	13,323	-	13,773	-	2,066	2026-2027	2027
Geographic Information System Upgrade	P.U. 38 (2025)	8,325	-	3	5,173	2,652	8,325	-	833	2026-2028	2028
Customer Correspondence Modernization	P.U. 38 (2025)	1,957	-	48	1,175	-	1,957	-	152	2026-2027	2027
Summerford Building Replacement	P.U. 38 (2025)	717	-	-	562	-	717	-	206	2026-2027	2027
Replace Vehicles and Aerial Devices 2026-2027	P.U. 38 (2025)	5,721	-	257	2,718	-	5,721	-	286	2026-2027	2027