

Q. Reference: Newfoundland Power's 2027 Capital Budget Application, Capital Budget Overview

Provide a comparison of the distribution of renewal expenditures included in the 2026 CBA and the 2027 CBA in tabular form, identifying each project/program and the total. Please explain material changes in distribution renewal expenditures.

A. Tables 1 and 2 provide distribution renewal expenditures included in the *2026 Capital Budget Application* ("2026 CBA") and Tables 3 and 4 provide the distribution renewal expenditures included in the *2027 Capital Budget Application* ("2027 CBA").¹

New distribution renewal capital expenditures in the 2026 CBA included approximately \$20.5 million in single-year expenditures, with a further \$1.1 million in previously approved distribution renewal expenditures, for a total of approximately \$21.6 million. No new distribution multi-year projects were included in the 2026 CBA.

New distribution renewal capital expenditures in the 2027 CBA include approximately \$25.6 million in single-year expenditures, with a further \$1.9 million in 2027 and \$3.6 million in 2028 related to new multi-year projects. No previously approved multi-year capital expenditures related to distribution renewal are included in the 2027 CBA.

Material changes in distribution renewal expenditures from 2027 include inflationary increases related to distribution programs,² the inclusion of five distribution feeder refurbishments in the 2027 CBA compared to one in the 2026 CBA,³ and the inclusion of a *Distribution Reliability Initiative* project in the 2027 CBA which was not included in the 2026 CBA.⁴

As part of its annual capital planning process, Newfoundland Power updates planned capital projects to reflect the latest condition assessments of electrical system assets, forecasts of electrical system load, changes in economic factors or industry requirements, and changes in operational requirements. The annual update of the Company's capital plan to reflect this information can result in planned projects being modified, advanced to an earlier year, deferred to future years, or removed entirely from

¹ This Request for Information has been interpreted on the basis that the reference to a comparison of "the distribution of renewal expenditures" was not intended. Consistent with the reference to "distribution renewal expenditures" in the second sentence of the Request for Information, this response deals only with renewal expenditures related to the distribution asset class.

² Distribution renewal programs in the 2027 CBA include \$21.3 million, or approximately \$1.6 million more than the \$19.7 million included in the 2026 CBA.

³ Distribution feeder renewal projects in the 2027 CBA include three projects at a cost of \$2.4 million in single-year expenditures, or approximately \$1.7 million more than the \$0.7 million included in the 2026 CBA. In addition, the 2027 CBA includes expenditures of \$1 million in 2027 and \$1.6 million in 2028 for two new multi-year distribution feeder renewal projects. The 2026 CBA had no costs associated with new multi-year distribution feeder refurbishments.

⁴ The *Distribution Reliability Initiative* project included in the 2027 CBA is a two-year distribution renewal project on distribution feeder GLV-02 with a total project cost of approximately \$2.9 million.

the planning period.⁵ The difference in the quantity of distribution feeder refurbishment projects and the inclusion of the *Distribution Reliability Initiative* is reflective of these annual updates, and can vary year over year depending on the latest results from condition assessments, inspections and reliability performance.

For information on the need for distribution feeder refurbishments, the *Distribution Reliability Initiative* and preventative and maintenance programs, see the response to Request for Information PUB-NP-004.

Table 1
2026 Capital Budget
Proposed Single-Year Projects and Programs

Investment Classification	Budget (\$000s)	Asset Class	Category
Renewal			
Reconstruction	7,674	Distribution	Program
Rebuild Distribution Lines	5,263	Distribution	Program
Replacement Transformers	4,954	Distribution	Program
Replacement Street Lighting	914	Distribution	Program
Distribution Feeder GDL-03 Refurbishment	722	Distribution	Project
Replacement Meters	562	Distribution	Program
Replacement Services	382	Distribution	Program
Total Renewal	\$20,471		
Total	\$20,471		

⁵ See the *2027 Capital Budget Application, 2027 Capital Budget Overview*, section 2.2.3, page 4.

Table 2 2026 Capital Budget Previously Approved Multi-Year Projects								
Title	Asset Class	Investment Classification	Project / Program	Budget (\$000s)				
				2024	2025	2026	2027	Total
Distribution Feeder SCT-01 & BLK-01 Relocation	Distribution	Renewal	Project		649	1,140		1,789
Total					\$649	\$1,140	\$0	\$1,789

Table 3
2027 Capital Budget
Proposed Single-Year Projects and Programs in Excess of \$750,000

Investment Classification	Budget (\$000s)	Asset Class	Category
Renewal			
Reconstruction	8,319	Distribution	Program
Replacement Transformers	5,573	Distribution	Program
Rebuild Distribution Lines	5,502	Distribution	Program
Distribution Feeder Extension COB-02	1,828	Distribution	Project
Distribution Feeder CAB-01 Refurbishment	972	Distribution	Project
Replacement Street Lighting	936	Distribution	Program
Distribution Feeder GDL-02 Loop 10 and Loop 20 Refurbishment	789	Distribution	Project
Distribution Feeder MIL-02 Refurbishment	685	Distribution	Project
Replacement Meters	616	Distribution	Program
Replacement Services	397	Distribution	Program
Total Renewal	\$25,617		
Total	\$25,617		

Table 4
2027 Capital Budget
Proposed Multi-Year Projects

Title	Asset Class	Investment Classification	Project / Program	Budget (\$000s)			
				2027	2028	2029	Total
Distribution Reliability Initiative	Distribution	Renewal	Project	871	2,069		2,940
Distribution Feeder ILC-02 Refurbishment	Distribution	Renewal	Project	595	610		1,205
Distribution Feeder GBY-01 Refurbishment	Distribution	Renewal	Project	402	958		1,360
Total				\$1,868	\$3,637	\$0	\$5,505