

1 **Q. 2015 Capital Plan (p. 7)**

2  
3 **Newfoundland Power outlines the increase in the forecast annual capital**  
4 **expenditure is a reflection of inflation and requirements for specific projects related**  
5 **to replacement of deteriorated facilities, meeting customer load growth, replacing**  
6 **the company's SCADA system, and maintaining compliance with the federal**  
7 **regulations and a new portable generator. Does Newfoundland Power foresee any**  
8 **increases in its capital outlook due to interconnection? If so, how has this been**  
9 **reflected in the five year outlook?**

10  
11 **A.** On pages 20-21 of Section 3.3 of its 2015 Capital Plan, the Company has identified some  
12 risks to the plan over the period 2015 through 2019. One such risk is the Muskrat Falls  
13 development, including the interconnection of the Island Interconnected System to  
14 Labrador and mainland Nova Scotia.

15  
16 The Muskrat Falls development will have an impact upon Newfoundland Power's capital  
17 expenditures. The Company will be involved in supplying construction power to sites  
18 within its service territory and potential rerouting of existing transmission and  
19 distribution lines to accommodate the Nalcor HVdc transmission line.<sup>1</sup> There may be  
20 other impacts associated with integrating the new HVdc transmission line with the  
21 existing power system.

22  
23 The 2015 capital plan has not envisioned material capital expenditures resulting from the  
24 Muskrat Falls development. If material capital expenditures resulting from the Muskrat  
25 Falls development do arise in the future they will either be included in future capital  
26 budget applications or in supplementary capital budget filings with the Board.

---

<sup>1</sup> The cost for construction power and line relocation will be charged in accordance with Newfoundland Power's Contribution in Aid of Construction Policy. In Order No. P.U. 37(2013) the Board approved a Contribution in Aid of Construction for the Labrador-Island Link Limited Partnership to provide construction power at Soldier's Pond.