

1 **Q. Reference: “2021 Capital Budget Application,” Newfoundland Power, July 9, 2020,**  
 2 **2020 Capital Plan (sic), sec. 2.4.1, at pp. 16/14 to 17/3.**

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 4 **Citation:**

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 6 **Newfoundland Power’s investment in T&D assets has increased at a rate 10%**  
 7 **less than the average of other Atlantic Canadian utilities over the 10-year period**  
 8 **ending 2018. The Company’s capital investment in T&D assets has, in fact,**  
 9 **increased at the lowest rate of any Atlantic Canadian utility. At the same time,**  
 10 **Newfoundland Power experienced the highest rate of growth in customers**  
 11 **served of these utilities.**

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 13 **Please provide this same metric on a dollar of capital investment per kilometer basis**  
 14 **for both Newfoundland Power and the comparator group, for both transmission**  
 15 **and distribution investment separately.**

16  
 17 A. Table 1 provides the capital investment data on a per kilometer basis for both  
 18 Newfoundland Power and the comparator group of Atlantic Canadian utilities for  
 19 distribution plant.<sup>1</sup>

**Table 1**  
**Distribution Property, Plant & Equipment**  
**(\$/km)**

<b>Distribution</b>	<b>2009</b>	<b>2018</b>	<b>10-Year Change</b>
Newfoundland Power	81,658	93,099	14%
Other Atlantic Provinces	45,258	57,421	27%

Table 1 shows that the rate of growth of Distribution Property Plant & Equipment per kilometre is lower for Newfoundland Power than the group Atlantic Canadian utilities.

Table 1 also shows that the Distribution Property Plant & Equipment cost per kilometre is higher for Newfoundland Power than in the rest of Atlantic Canada. Factors that contribute to the higher cost include: (i) the CSA requirement for Newfoundland Power to build lines to a higher standard;<sup>2</sup> and (ii) the higher number of customers per kilometre in Newfoundland Power’s service territory.<sup>3</sup>

<sup>1</sup> Newfoundland Power does not have kilometre data for the transmission line assets owned by the comparator group in 2009 and is therefore unable to provide the comparison for transmission assets.

<sup>2</sup> The primary engineering standard is the Canadian Standards Association (“CSA”) standard *C22.3 No. 1-15, Overhead Systems*. This standard guides the construction of overhead distribution and transmission systems. Newfoundland Power is the only utility in Atlantic Canada required to build to severe loading criteria based on this standard. This results in more investment on a per kilometre basis due to shorter span lengths and larger pole sizes, among other requirements.

<sup>3</sup> Newfoundland Power has approximately 23 customers per kilometre. This compares to 17 customers per kilometre for the remainder of Atlantic Canada. Higher customer density results in more equipment on a per kilometre basis, such as distribution transformers, switches, service wires, and meters. This, in turn, results in higher investment on a per kilometre basis.