

- 1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 1, Section 2, Pages 2-39 to 2-41.**
3
4 **a) Please provide the Newfoundland Power actual capital expenditures for general**
5 **properties, distribution, transmission and generation assets over the period 2010**
6 **to 2026F.**
7
8 **b) Please explain how the capital expenditure pattern provided in part (a) of this**
9 **request for information is “conducive to rate stability for customers”.**
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11 **A. a) Table 1 provides Newfoundland Power’s actual and forecast capital expenditures for**
12 **general properties, distribution, transmission and generation assets over the period**
13 **2010 to 2026F.**

Table 1:
Capital Expenditures
General Properties, Distribution, Transmission, and Generation
2010 to 2026F
(\$000s)

Year	General Properties	Distribution	Transmission	Generation
2010	1,320	38,900	4,569	5,162
2011	1,839	38,510	3,689	9,178
2012	2,047	41,139	4,694	7,668
2013	2,556	41,976	5,444	4,508
2014	1,032	62,066	5,536	11,751
2015	3,063	48,315	6,391	5,132
2016	2,491	44,396	4,944	18,287
2017	1,456	46,299	6,699	6,402
2018	2,722	42,333	7,806	8,934
2019	2,849	46,801	11,865	10,056
2020	2,473	44,897	9,948	7,095
2021F	2,776	45,767	9,751	11,510
2022F	2,660	47,744	12,892	2,769
2023F	4,816	51,456	12,486	11,527
2024F	3,448	52,857	13,574	14,751
2025F	1,762	54,117	14,023	17,326
2026F	2,923	55,405	18,991	9,002

- 1 b) Table 2 provides total average annual capital expenditures for the general properties,
2 distribution, transmission and generation asset classes from 2010 to 2026F on an
3 inflation-adjusted basis.

Table 2:
Average Annual Capital Expenditures
General Properties, Distribution, Transmission and Generation
2010 to 2026F
(\$000s)

2010 to 2020	2021F to 2026F
68,658	75,105

4 On an inflation-adjusted basis, capital expenditures under these asset classes averaged
5 approximately \$69 million annually from 2010 to 2020. This compares to a forecast
6 of approximately \$75 annually million from 2021 to 2026 when adjusted for inflation.

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8 Of the \$6 million increase in forecast annual capital expenditures, approximately
9 \$5 million relates to the replacement of existing street lights with LED fixtures.¹
10 Otherwise, forecast capital expenditures in these asset classes are reasonably
11 consistent with historical expenditures.

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13 For additional information on how Newfoundland Power balances the cost and
14 reliability of the service provided to its customers, see response to Request for
15 Information PUB-NP-010.

¹ The replacement of existing street lights with LED fixtures from 2021 to 2026 will provide customers with lower rates for a more reliable service. See Newfoundland Power's 2021 Capital Budget Application, Volume 1, LED Street Lighting Replacement Plan.