

1 **Q. (Reference Application) On December 20, 2021 the Board issued its**
2 **Provisional Capital Budget Application Guidelines. In its cover letter the Board**
3 **states "The Board is enclosing provisional Capital Budget Application**
4 **Guidelines to be used in 2022 for the 2023 capital budget applications as well**
5 **as other matters related to the Board's oversight of utility capital**
6 **expenditures." The Board goes on to state "The provisional guidelines were**
7 **developed based on the work completed to date in the Board's Capital Budget**
8 **Application Guidelines Review which began in 2019."**

9 **a) Are the Provisional Guidelines still relevant? What direction has the Board**
10 **provided with respect to guidelines that are to be used in NP's 2024, 2025**
11 **and 2026 capital budgets?**

12 **b) For each of its 2023, 2024, 2025 and 2026 capital budgets please identify**
13 **each change that NP has made to bring its capital budgets in line with the**
14 **requirements set out in the December 20, 2021 Provisional Capital Budget**
15 **Application Guidelines.**

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17 **A.** a) The Board's Capital Budget Application Guidelines (Provisional), effective
18 January 2022 (the "Guidelines"), state: "*These guidelines apply to utility capital*
19 *expenditure applications filed for approval of the Board pursuant to section 41 of the*
20 *Public Utilities Act.*" As such, the Guidelines govern the form and process of capital
21 budget applications and are still relevant. Newfoundland Power has prepared its
22 *2026 Capital Budget Application* in accordance with the Guidelines. Newfoundland
23 Power received guidance from the board in its letter dated June 12, 2023, in which
24 the Board stated, "*The 2024 Capital Budget Applications should be filed adhering to*
25 *the current provisional guidelines effective as of January 2022.*"¹ The Board has not
26 issued new or updated guidelines since that time.

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28 b) Appendix A of the Guidelines outlines the filing requirements for utility capital
29 budgets. Newfoundland Power has satisfied the filing requirements wherever
30 possible. The filing requirements in Appendix A of the Guidelines are qualified by
31 section V.A.1.b of the Guidelines, which states in part, "*Where a utility is not able to*
32 *provide the required information it shall provide an explanation as to why the*
33 *information cannot be provided as well as the basis upon which the proposals should*
34 *be approved in the absence of this information.*"

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36 As a result of section V.A.1.b, provision is made for alternative information to be
37 provided where a utility cannot provide the information outlined in Appendix A.
38 Where such alternative information is provided, the Company has provided
39 explanations as to why the alternative information is appropriate in lieu of the
40 information outlined in section III of Appendix A.² Newfoundland Power submits that
41 the *2026 Capital Budget Application* comprises comprehensive information that
42 clearly describes the Application's proposals, and demonstrates that all proposed
43 capital expenditures are necessary to provide customers with access to safe and

¹ See the response to Request for Information CA-NP-013 for a list of all communications received by Newfoundland Power since the guidelines were issued on December 20, 2021.

² See the response to Request for Information CA-NP-014 for more information.

1 reliable service at the lowest possible cost. As such, in the Company's view, it has
2 complied with its statutory obligations as well as the overall requirements of the
3 Guidelines.