

Q. (Reference Schedule B, Relocate/Replace Distribution Lines for Third Parties)

a) It is stated (page 23) "*The relocation or replacement of distribution lines results from (i) work initiated by municipal, provincial and federal governments; (ii) work initiated by telecommunications companies; and (iii) requests from customers.*" Please explain the extent to which these parties contributed to this program's costs in 2024 and 2025 and provide an estimate of their contributions to the proposed 2026 capital expenditure of \$3.7 million.

b) For each of the years 2021 to 2025F inclusive, please provide a table showing the decomposition of total expenditure in terms of cost categories: Material, Labour-Internal, Labour-Contract, Engineering and Other.

A. a) All third parties requesting work under the *Relocate/Replace Distribution Lines for Third Parties* program contribute to the work completed as per Newfoundland Power's *Schedule of Rates, Rules and Regulations* and the terms of the respective agreements.¹

All contributions received from customers are recorded as reductions against Newfoundland Power's net plant investment when calculating rate base.² The Company does not record customer contributions as being part of a specific capital program and therefore cannot provide an estimate of the amount of contributions associated with the *Relocate/Replace Distribution Lines for Third Parties* program.

The proposed 2026 Capital Budget includes an estimated amount of \$2,500,000 in contributions that would be demanded of customers, and which will be calculated in the manner approved by the Board.³

¹ See Newfoundland Power's *Schedule of Rates, Rules & Regulations*, Effective July 1, 2025, page 8, section 9(c).

² See Newfoundland Power's *2024 Annual Report to the Board*, Return 3 for the calculation of net plant investment and Return 7 for the annual contributions received from customers each year.

³ See Newfoundland Power's *2026 Capital Budget Application, Application*, page 1, paragraph 3.

- 1 b) Table 1 provides the breakdown of total expenditure for the *Relocate/Replace*
2 *Distribution Lines for Third parties* program from 2021 to 2025 forecast.

Table 1 <i>Relocate/Replace Distribution Lines for Third Parties</i> Program 2021 to 2025F (\$000s)					
Cost Category	2021	2022	2023	2024	2025F
Material	571	620	488	1,045	988
Labour – Internal	1,096	944	999	1,209	1,235
Labour – Contract	707	718	837	807	635
Engineering	463	505	546	451	494
Other	223	268	239	393	176
Total	3,060	3,055	3,109	3,905	3,528