

- 1 **Q. (Reference Schedule B, New Services)**
2 **a) For each of the years, 2021 to 2025F inclusive, please provide a table**
3 **showing the decomposition of total expenditure in terms of cost**
4 **categories: Material, Labour-Internal, Labour-Contract, Engineering and**
5 **Other.**
6 **b) It is stated (page 35) "New service wires are installed upon request**
7 **from developers or contractors constructing new subdivisions, as well as**
8 **individual customers who require electricity service connection." Please**
9 **explain the extent to which the program's costs are recovered from those**
10 **parties.**
- 11
12 **A.** a) Table 1 provides the capital expenditure by cost category for the *New Services*
13 program from 2021 through 2025 forecast.

Table 1 New Services Program 2021 to 2025F (\$000s)					
Cost Category	2021	2022	2023	2024	2025F
Material	917	1,030	1,017	1,100	1,457
Labour – Internal	1,659	2,009	1,834	2,121	2,701
Labour – Contract	77	117	140	149	154
Engineering	242	275	255	228	350
Other	41	38	14	63	122
Total	2,936	3,469	3,260	3,661	4,784

- 14 b) The *New Services* program involves the installation of service wires to connect new
15 customers to the electrical distribution system. In general, these installation costs
16 are within the definition of the Company's basic investment, as outlined in its
17 *Residential and General Service CIAC Policies*, requiring no contribution from the
18 customer towards the capital cost.¹

¹ For the definition of the Company's basic investment, see sections three of the *Contribution in Aid of Construction Policy: Distribution Line Extensions to Domestic Customers* and the *Contribution in Aid of Construction Policy: Distribution Line Extensions and Upgrades to General Service Customers*, filed with the Board on January 27, 2025. If the cost to provide a service exceeds the Company's basic investment, a contribution in aid of construction ("CIAC") is required from the customer. For example, a CIAC is required when the requested service involves underground installation or is located away from the nearest practical point on the distribution system. With respect to CIAC amounts, all contributions received from customers are recorded as reductions against Newfoundland Power's net plant investment when calculating rate base. The Company does not record customer contributions as being part of a specific capital program.