

Q. (Reference Schedule B, New Street Lighting)

a) It is stated (page 36) "*The New Street Lighting program involves the installation of new street lighting fixtures based on customers' service requests.*" Please explain the extent to which those who make such requests contribute to the program's cost.

b) In Table 1 (page 36), program expenditure jumps almost 50% from \$1.5 million in 2021 to \$2.2 million in 2022 after which expenditure remains above \$2.2 million. Please explain the large increase in 2022 over 2021 and why the higher level of spending has persisted.

c) 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) Capital expenditures related to the *New Street Lighting* program are indirectly recovered through customer rates. Newfoundland Power's Street and Area Lighting customers pay a monthly rate which includes all costs associated with the provision of street and area lighting service. This includes the cost of energy as well as operating and maintenance costs, depreciation and financing costs.¹
- b) The *New Street Lighting* program involves the installation of new street lighting fixtures including poles, brackets and wires, as needed. The scope of this work varies depending on the number and scope of requests received from customers, which can result in year-over-year fluctuations in work volumes and program costs. The addition of expenditures in years 2019 and 2020 in Table 1, below, illustrates that the expenditure in 2022 is in line with the program average.

Table 1 <i>Mda Rŕstlŕŕ Kŕf gŕurŕ</i> Program Historical Expenditures (\$000s)							
Year	2019	2020	2021	2022	2023	2024	2025F
Total	2,678	2,009	1,494	2,209	2,267	2,666	2,460

¹ See Newfoundland Power's *Schedule of Rates, Rules and Regulations*, effective July 1, 2025, for the current customer rates approved by the Board in Order No. P.U. 23 (2025).

- 1 c) Table 2 on the following page provides the breakdown of total expenditure for the
2 *New Street Lighting* program from 2021 to 2025 forecast.

Table 2 <i>New Street Lighting</i> Program Expenditure by Cost Category (\$000s)					
Cost-Category	2021	2022	2023	2024	2025F
Material	955	1,419	1,194	1,555	1,427
Labour – Internal	273	442	618	584	615
Labour – Contract	155	241	367	455	295
Engineering	104	79	79	66	49
Other	7	28	9	6	74
Total	1,494	2,209	2,267	2,666	2,460