

1 **Q. (Reference 2026 Capital Budget Overview) It is stated (page 2)**
2 **"Newfoundland Power's annual capital expenditures are the product of a**
3 **comprehensive capital planning process." In P.U. 3(2025) (page 70) it is**
4 **stated "The Board notes that the evidence does not demonstrate that**
5 **Newfoundland Power has an overall strategic plan addressing the significant**
6 **issues currently facing its system and the associated costs."**
7 **a) Please explain how NP' s capital planning process is comprehensive when**
8 **NP does not have an overall strategic plan addressing the significant issues**
9 **currently facing its system.**
10 **b) What is the status of work NP is undertaking to develop a strategic plan?**
11 **c) Please provide an organization chart of NP' s planning department.**
12 **d) Is strategic planning a core component of NP' s business, or will NP be**
13 **approaching the Board for approval of costs to complete the strategic plan**
14 **ordered in P.U. 3(2025)?**
15 **e) What are NP' s core activities? Which of these activities are completed in-**
16 **house, and which of these activities are assigned to outside consultants?**

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18 **A.** a) Newfoundland Power's asset management practices and strategies ensure that the
19 Company's proposed capital investments are justified and effectively address issues
20 currently facing the electrical system.¹ Asset management practices and strategies
21 include inspections and maintenance programs, as well as long-term asset
22 management strategies for managing specific assets, including life extension,
23 obsolescence management and asset replacement.² Current asset specific strategies
24 include the *Transmission Line Rebuild Strategy* and the *Substation Refurbishment*
25 *and Modernization Strategy*.³ Newfoundland Power's asset management practices
26 and strategies evolve over time to respond to asset conditions and system needs.⁴
27 The Company's asset management practices and strategies have been found to
28 conform with good utility practice.⁵

¹ As examples, the Company constructs distribution and transmission assets to Canadian Standards Association Severe Loading Standards which considers local climatic conditions and the 2026-2030 Capital Plan considers potential impacts of electrification. For further information, see Newfoundland Power's *2026 Capital Budget Application, 2026-2030 Capital Plan, 2.0 Planning Context*.

² Asset management is organized by asset class, with separate practices applied to distribution, transmission, substation and generation assets. Further details on Newfoundland Power's asset management practices and strategies are provided in the Company's *Asset Management Review: 2022-2024 Assessment Framework*, which was filed as Attachment A to the response to Request for Information CA-NP-075 filed as part of the Company's *2025 Capital Budget Application* process.

³ For further information, see the *2026 Capital Budget Application, 2026-2030 Capital Plan, 2.4 Asset Condition Outlook*.

⁴ *Ibid.*

⁵ *Ibid.*

1 The Company is currently undertaking an asset management review, which began in
2 2022. A component of this review is to confirm that Newfoundland Power's asset
3 management practices and strategies are adequate and aligned with industry sound
4 practices and are responsive to future system changes.⁶ As part of this review, the
5 Company has identified the aging electrical system and evolving technology as two
6 drivers for change with respect to its asset management.⁷

7
8 In addition to asset-specific strategies, Newfoundland Power has developed plans to
9 address broader system challenges. For example, the Newfoundland Power's climate
10 adaptation plan considers potential electricity infrastructure vulnerabilities within the
11 Company's service territory and identifies actions that can be taken to improve
12 resiliency to the impacts of climate change. Further, Newfoundland Power is
13 currently reviewing and updating its *Wildfire Mitigation Plan* in collaboration with
14 Newfoundland and Labrador Hydro. Focus areas include updating wildfire risk
15 assessments for the Company's critical infrastructure, improving situational
16 awareness in relation to wildfire conditions, and reviewing wildfire emergency
17 response procedures. Additionally, the Company's conservation, demand
18 management and electrification ("CDME") plan addresses electrification by
19 forecasting impacts on system load, piloting electric vehicle ("EV") load management
20 strategies, and designing programs that reduce overall energy use and peak
21 demand.⁸

22
23 Newfoundland Power is in the process of preparing a scope of work for the
24 development of a strategic plan, which will encompass the strategies, plans and
25 reviews discussed above. The scope of work will be filed on or before October 15,
26 2025 in compliance with the Board's direction in Order No. P.U. 3 (2025).

27
28 b) See part a).

29
30 c) Newfoundland Power undertakes planning activities across multiple departments,
31 including but not limited to capital planning, engineering, regulatory, finance and
32 operations. As such, the Company does not maintain a separate organization chart
33 specific to a planning department.

34
35 d) Newfoundland Power does not anticipate incurring costs in the development of the
36 strategic plan that would require the approval of the Board. If it is determined that
37 such approval is necessary to complete the strategic plan, the Company will apply to
38 the Board for approval of those costs.

⁶ Newfoundland Power's asset management practices are consistent with those of other Canadian utilities. In 2022, Newfoundland Power issued a survey through CEATI to determine asset management trends among North American utilities. Of 18 responses, 11% of utilities were certified with ISO 55000, 28% aligned with ISO 55000, 44% exploring ISO 55000, and 17% not considering ISO 55000.

⁷ The two other drivers identified were changing workforce dynamics and an evolving regulatory landscape.

⁸ The next five-year CDME plan, for the years 2026 to 2030, is anticipated to be completed by the end of 2025.

1 e) Newfoundland Power is a public utility within the meaning of the *Public Utilities Act*
2 (the “Act”).⁹ The Company is the primary distributor of electricity in the province of
3 Newfoundland and Labrador, serving 87% of all customers in the province.
4 Newfoundland Power’s core activities relate to the management and operation of
5 distribution, transmission and generation assets to deliver electricity to customers in
6 a manner consistent with the provisions of the Act and the *Electrical Power Control*
7 *Act, 1994*.¹⁰

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9 Decisions regarding the use of internal resources or third-party consultants are made
10 on a case-by-case basis. Typically, Newfoundland Power will assess its internal
11 resource knowledge, expertise and availability in conducting operations. The
12 Company will consider contracting third parties if it is determined that certain
13 activities require additional expertise beyond that of its internal resources.
14 Newfoundland Power’s tendering process ensures that the Company receives
15 competitive pricing consistent with the provision of least-cost, reliable service for
16 customers.

⁹ See section 2(1)(h) of the Act.

¹⁰ For further information, see Newfoundland Power’s *2026 Capital Budget Application, Capital Budget Overview*.