

1 **Q. Reference: "2026 Capital Budget Application," Newfoundland Power Inc.,**
2 **June 27, 2025, Supporting Materials, Information Systems: 4.1, p. 7.**

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4 **The complexity of this project requires resources and expertise above**
5 **the Company's day-to-day operational capability. Third party**
6 **consulting assistance will therefore be required throughout the CCM**
7 **Project if it is approved.**

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9 **Given that third party consulting assistance will be required throughout the**
10 **CCM project if approved, why has Newfoundland Power not allocated costs**
11 **for contract labour or engineering services?**

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13 **A.** Report 4.1 of Newfoundland Power's *2026 Capital Budget Application* notes, "*material*
14 *costs in 2027 include the services of the selected consultant to design, deliver and*
15 *implement the solution in a manner that meets Newfoundland Power's requirements and*
16 *remains least cost for customers.*"¹ This presentation is consistent with Newfoundland
17 Power's historical practice.

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19 No costs were assigned to engineering services as this is used for internal engineering
20 resources which have not been identified as necessary for this project. Similarly, the
21 Labour - Contract cost item is used for hourly labour associated with distribution and
22 transmission work, such as pole setting, deadline construction and rental of tracked
23 carrier or "muskeg" type offroad vehicles. This is also not applicable to this project.

¹ See Newfoundland Power's *2026 Capital Budget Application*, report 4.1 *Customer Correspondence Modernization*, page 7.