

WHENEVER. WHEREVER.  
We'll be there.



March 28, 2024

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau  
Executive Director and Board Secretary

Dear Ms. Galarneau:

**Re: 2023 Capital Expenditure Report**

Enclosed please find Newfoundland Power Inc.'s 2023 Capital Expenditure Report (the "Report"). The Report is presented in compliance with Order No. P.U. 38 (2022) of the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board"), and its subsequent correspondence dated February 8, 2024 confirming the filing date pursuant to section 41 of the *Public Utilities Act*.

The Report provides information on capital expenditures approved in Order Nos. P.U. 14 (2023), P.U. 38 (2022), P.U. 36 (2021), P.U. 12 (2021), P.U. 10 (2021) and P.U. 37 (2020), including actual expenditures to December 31, 2023 and variances between actual and budgeted expenditures by project.

Variances of more than 10% of approved expenditures and \$100,000 or greater are explained in the Notes contained in Appendix A to the Report. A discussion of approved capital expenditures in 2023 which were modified, re-prioritized, deferred, re-paced or cancelled is provided in Appendix B. Summaries of Key Performance Indicators in 2023 are provided in Appendix C.

If you have any questions on the enclosed, please contact the undersigned at your convenience.

Yours truly,

A handwritten signature in black ink that reads "Lindsay Hollett".

Lindsay Hollett  
Senior Legal Counsel &  
Assistant Corporate Secretary

Enclosure

cc. Shirley Walsh  
Newfoundland & Labrador Hydro

Dennis Browne, K.C.  
Browne Fitzgerald Morgan & Avis

**Newfoundland Power Inc.**

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

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## 2023 Capital Expenditure Report

March 28, 2024

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WHENEVER. WHEREVER.  
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## **Newfoundland Power Inc.**

### **2023 Capital Expenditure Report**

#### **Explanatory Note**

This report is filed in compliance with Order No. P.U. 38 (2022) of the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board"), and its subsequent correspondence dated February 8, 2024 confirming the filing date pursuant to section 41 of the *Public Utilities Act*.

Page 1 of the *2023 Capital Expenditure Report* outlines variances from budget of the capital expenditures approved by the Board in Order Nos. P.U. 14 (2023), P.U. 38 (2022), P.U. 36 (2021), P.U. 12 (2021), P.U. 10 (2021) and P.U. 37 (2020). The tables on pages 2 through 14 provide additional detail on capital expenditures in 2023, and also include information on capital projects approved for 2021 and 2022 that were not completed prior to 2023. Page 14 provides additional detail on multi-year projects.

Consistent with the variance criteria outlined in the *Capital Budget Application Guidelines (Provisional)* (the "Provisional Guidelines"), variances of more than 10% of approved expenditure and \$100,000 or greater are explained in Appendix A.

For multi-year capital projects, total expenditures to date are reported, compared to total approved budget to date. Variances for multi-year capital projects will be reported in the capital expenditure report in the year following project completion.

Consistent with section V.C of the Provisional Guidelines, a discussion of approved capital expenditures in 2023 which were modified, re-prioritized, deferred, re-paced or cancelled is provided in Appendix B.

Consistent with section V.C of the Provisional Guidelines, summaries of Key Performance Indicators in 2023 are provided in Appendix C.

**Newfoundland Power Inc.**  
**2023 Capital Budget Variances**  
**(000s)**

	<b>Approved<sup>1</sup></b>	<b>Actual</b>	<b>Variance</b>
Generation - Hydro	\$9,476	\$9,525 <sup>2</sup>	\$49
Generation - Thermal	335	214	(121)
Substations	20,720	20,955 <sup>3</sup>	235
Transmission	12,284	9,203 <sup>4</sup>	(3,081)
Distribution	53,671	57,328 <sup>5</sup>	3,657
General Property	2,505	2,686 <sup>6</sup>	181
Transportation	4,968	4,967 <sup>7</sup>	(\$1)
Telecommunications	1,268	707	(561)
Information Systems	12,940	13,490 <sup>8</sup>	550
Unforeseen Allowance	750	0	(750)
General Expenses Capitalized	4,000	5,100	1,100
<b>Total</b>	<b>\$122,917</b>	<b>\$124,175</b>	<b>\$1,258</b>
Projects carried forward from prior years		\$25,298	

<sup>1</sup> Approved in Order Nos. P.U. 14 (2023), P.U. 38 (2022), P.U. 36 (2021), P.U. 12 (2021), P.U. 10 (2021) and P.U. 37 (2020).

<sup>2</sup> Includes forecast expenditure of \$1,235,000 for *Mobile Hydro Plant Refurbishment* and \$300,000 for *Sandy Brook Plant Penstock Replacement* carried forward into 2024.

<sup>3</sup> Includes forecast expenditure of \$260,000 for *Walbournes Substation Refurbishment and Modernization*, \$180,000 for *Molloy's Lane Substation Refurbishment and Modernization*, \$1,499,000 for *Substation Spare Transformer Inventory* and \$46,000 for *MUN-T2 Power Transformer Replacement* carried forward into 2024.

<sup>4</sup> Includes forecast expenditure of \$2,223,000 for *Transmission Line 55L Rebuild* carried forward into 2024.

<sup>5</sup> Includes forecast expenditure of \$418,000 for *Distribution Feeder Automation* carried forward into 2024.

<sup>6</sup> Includes forecast expenditure of \$100,000 for *Company Building Renovations* carried forward into 2024.

<sup>7</sup> Includes forecast expenditure of \$155,000 for *Replace Vehicles and Aerial Devices 2023-2024* and \$1,356,000 for *Replace Vehicles and Aerial Devices 2022-2023* carried forward into 2024.

<sup>8</sup> Includes forecast expenditures of \$2,125,000 for *Customer Service System Replacement*, \$127,000 for *Application Enhancements*, \$296,000 for *Shared Server Infrastructure*, \$405,000 for *System Upgrades* and \$103,000 for *Network Infrastructure* carried forward into 2024.

**2023 Capital Expenditure Report  
(000s)**

	Capital Budget			Actual Expenditure		Carryover	Total	Variance
	2021 - 2022	2023	Total	2021 - 2022	2023			
	A	B	C	D	E	F	G	H
2023 Projects	\$ -	\$ 122,917	\$ 122,917	\$ -	\$ 113,347	\$ 10,828	124,175	\$ 1,258
2021-2022 Projects	53,765	-	53,765	35,676	25,298	-	60,974	7,209
<b>Grand Total</b>	<b>\$ 53,765</b>	<b>\$ 122,917</b>	<b>\$ 176,682</b>	<b>\$ 35,676</b>	<b>\$ 138,645</b>	<b>\$ 10,828</b>	<b>\$ 185,149</b>	<b>\$ 8,467</b>

Column A Approved Capital Budget for 2021 and 2022  
Column B Approved Capital Budget for 2023  
Column C Total of Columns A and B  
Column D Actual Capital Expenditure for 2021 and 2022  
Column E Actual Capital Expenditure for 2023  
Column F Capital Projects Carried Forward to 2024  
Column G Total of Columns D, E and F  
Column H Column G less Column C

## 2023 Capital Expenditure Report (000s)

**Category: Generation - Hydro**

	<u>Capital Budget</u>			<u>Actual Expenditure</u>		<u>Carryover</u>	<u>Total</u>	<u>Variance</u>	<u>Notes*</u>
	<u>2022</u>	<u>2023</u>	<u>Total</u>	<u>2022</u>	<u>2023</u>				
	A	B	C	D	E	F	G	H	
<b><u>2023 Projects</u></b>									
Sandy Brook Hydro Plant Generator Refurbishment	\$ -	\$ 1,577	\$ 1,577	\$ -	\$ 1,556	\$ -	\$ 1,556	\$ (21)	
Hydro Facility Rehabilitation	-	877	877	-	821	-	821	(56)	
Hydro Plant Replacements Due to In-Service Failures	-	662	662	-	627	-	627	(35)	
	<u>\$ -</u>	<u>\$ 3,116</u>	<u>\$ 3,116</u>	<u>\$ -</u>	<u>\$ 3,004</u>	<u>\$ -</u>	<u>\$ 3,004</u>	<u>\$ (112)</u>	
<b><u>2022 Projects</u></b>									
Hydro Facility Rehabilitation (2022)	\$ 2,062	\$ -	\$ 2,062	\$ 1,841	\$ 499	\$ -	\$ 2,340	\$ 278	1
	<u>\$ 2,062</u>	<u>\$ -</u>	<u>\$ 2,062</u>	<u>\$ 1,841</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ 278</u>	

\* See Appendix A for notes containing variance explanations.

Column A Approved Capital Budget for 2022  
Column B Approved Capital Budget for 2023  
Column C Total of Columns A and B  
Column D Actual Capital Expenditure for 2022  
Column E Actual Capital Expenditure for 2023  
Column F Capital Projects Carried Forward to 2024  
Column G Total of Columns D, E and F  
Column H Column G less Column C

## 2023 Capital Expenditure Report (000s)

**Category: Generation - Thermal**

	Capital Budget			Actual Expenditure		Carryover F	Total G	Variance H	Notes*
	2022 A	2023 B	Total C	2022 D	2023 E				
<b><u>2023 Projects</u></b>									
Thermal Plant Replacements Due to In-Service Failures	\$ -	\$ 335	\$ 335	\$ -	\$ 214	\$ -	\$ 214	\$ (121)	2
	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 335</u>	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ (121)</u>	

\* See Appendix A for notes containing variance explanations.

Column A Approved Capital Budget for 2022  
 Column B Approved Capital Budget for 2023  
 Column C Total of Columns A and B  
 Column D Actual Capital Expenditure for 2022  
 Column E Actual Capital Expenditure for 2023  
 Column F Capital Projects Carried Forward to 2024  
 Column G Total of Columns D, E and F  
 Column H Column G less Column C

## 2023 Capital Expenditure Report (000s)

**Category: Substations**

	Capital Budget			Actual Expenditure		Carryover	Total	Variance	Notes*
	2022	2023	Total	2022	2023				
	A	B	C	D	E	F	G	H	
<b>2023 Projects</b>									
Walbournes Substation Refurbishment and Modernization	\$ -	\$ 4,955	\$ 4,955	\$ -	\$ 4,835	\$ 260	\$ 5,095	\$ 140	
Molloy's Lane Substation Refurbishment and Modernization	-	4,827	4,827	-	4,325	180	4,505	(322)	
Long Pond Substation Capacity Expansion	-	3,313	3,313	-	3,076	-	3,076	(237)	
Substation Spare Transformer Inventory	-	1,500	1,500	-	1	1,499	1,500	-	
Substation Protection and Control Replacements	-	667	667	-	669	-	669	2	
Substation Ground Grid Upgrades	-	563	563	-	511	-	511	(52)	
PCB Bushing Phase-Out	-	425	425	-	450	-	450	25	
Substation Replacements Due to In-Service Failures	-	4,422	4,422	-	5,101	-	5,101	679	3
	<u>\$ -</u>	<u>\$ 20,672</u>	<u>\$ 20,672</u>	<u>\$ -</u>	<u>\$ 18,968</u>	<u>\$ 1,939</u>	<u>\$ 20,907</u>	<u>\$ 235</u>	
<b>2022 Projects</b>									
Substations Refurbishment and Modernization	\$ 7,049	-	\$ 7,049	\$ 8,009	\$ 1,182	\$ -	\$ 9,191	\$ 2,142	4
	<u>\$ 7,049</u>	<u>\$ -</u>	<u>\$ 7,049</u>	<u>\$ 8,009</u>	<u>\$ 1,182</u>	<u>\$ -</u>	<u>\$ 9,191</u>	<u>\$ 2,142</u>	

\* See Appendix A for notes containing variance explanations.

Column A Approved Capital Budget for 2022  
Column B Approved Capital Budget for 2023  
Column C Total of Columns A and B  
Column D Actual Capital Expenditure for 2022  
Column E Actual Capital Expenditure for 2023  
Column F Capital Projects Carried Forward to 2024  
Column G Total of Columns D, E and F  
Column H Column G less Column C

**2023 Capital Expenditure Report  
(000s)**

**Category: Transmission**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2021 - 2022</b>	<b>2023</b>	<b>Total</b>	<b>2021 - 2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	
<b><u>2023 Projects</u></b>									
Transmission Line Maintenance	-	2,610	\$ 2,610	-	3,449	-	3,449	839	5
	<u>\$ -</u>	<u>\$ 2,610</u>	<u>\$ 2,610</u>	<u>\$ -</u>	<u>\$ 3,449</u>	<u>\$ -</u>	<u>\$ 3,449</u>	<u>\$ 839</u>	
<b><u>2021 - 2022 Projects</u></b>									
Transmission Line Extension - 35L	\$ 1,343	\$ -	\$ 1,343	\$ 2,112	\$ 115	\$ -	\$ 2,227	\$ 884	6
	<u>\$ 1,343</u>	<u>\$ -</u>	<u>\$ 1,343</u>	<u>\$ 2,112</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 2,227</u>	<u>\$ 884</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2021 and 2022
- Column B Approved Capital Budget for 2023
- Column C Total of Columns A and B
- Column D Actual Capital Expenditure for 2021 and 2022
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**2023 Capital Expenditure Report  
(000s)**

**Category: Distribution**

	Capital Budget			Actual Expenditure		Carryover	Total	Variance	Notes*
	2021 - 2022	2023	Total	2021 - 2022	2023				
	A	B	C	D	E				
<b>2023 Projects</b>									
LED Street Lighting Replacement	\$ -	\$ 5,453	\$ 5,453	\$ -	\$ 5,953	\$ -	\$ 5,953	\$ 500	
Corner Brook Acute Care Hospital Redundant Supply	-	2,690	2,690	-	2,467	-	2,467	(223)	
Distribution Feeder Automation	-	1,054	1,054	-	579	418	997	(57)	
Feeder Additions for Load Growth	-	670	670	-	732	-	732	62	
Distribution Feeder SLA-05 Refurbishment	-	565	565	-	595	-	595	30	
Distribution Feeder PEP-02 Refurbishment	-	550	550	-	524	-	524	(26)	
Allowance for Funds Used During Construction	-	247	247	-	288	-	288	41	
Extensions	-	12,218	12,218	-	15,145	-	15,145	2,927	7
Reconstruction	-	6,699	6,699	-	7,622	-	7,622	923	8
Rebuild Distribution Lines	-	4,945	4,945	-	5,085	-	5,085	140	
Relocate/Replace Distribution Lines for Third Parties	-	3,803	3,803	-	3,109	-	3,109	(694)	9
Replacement Transformers	-	3,345	3,345	-	3,411	-	3,411	66	
New Transformers	-	2,967	2,967	-	2,999	-	2,999	32	
New Services	-	2,916	2,916	-	3,260	-	3,260	344	10
New Street Lighting	-	2,618	2,618	-	2,267	-	2,267	(351)	11
Replacement Street Lighting	-	770	770	-	774	-	774	4	
Replacement Meters	-	662	662	-	530	-	530	(132)	12
Replacement Services	-	546	546	-	352	-	352	(194)	13
New Meters	-	297	297	-	510	-	510	213	14
	<u>\$ -</u>	<u>\$ 53,015</u>	<u>\$ 53,015</u>	<u>\$ -</u>	<u>\$ 56,202</u>	<u>\$ 418</u>	<u>\$ 56,620</u>	<u>\$ 3,605</u>	
<b>2021 - 2022 Projects</b>									
Trunk Feeders	\$ 800	\$ -	\$ 800	\$ 476	\$ 409	\$ -	\$ 885	\$ 85	
Distribution Reliability Initiative	350	-	350	116	249	-	365	15	
	<u>\$ 1,150</u>	<u>\$ -</u>	<u>\$ 1,150</u>	<u>\$ 592</u>	<u>\$ 658</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 100</u>	

\* See Appendix A for notes containing variance explanations.

Column A Approved Capital Budget for 2021 and 2022  
Column B Approved Capital Budget for 2023  
Column C Total of Columns A and B  
Column D Actual Capital Expenditure for 2021 and 2022  
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Column G Total of Columns D, E and F  
Column H Column G less Column C

**2023 Capital Expenditure Report  
(000s)**

**Category: General Property**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2022</b>	<b>2023</b>	<b>Total</b>	<b>2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	
<b><u>2023 Projects</u></b>									
Company Building Renovations	\$ -	\$ 741	\$ 741	\$ -	\$ 726	\$ 100	\$ 826	\$ 85	
Physical Security Upgrades	-	576	576	-	628	-	628	52	
Additions to Real Property	-	654	654	-	677	-	677	23	
Tools and Equipment	-	534	534	-	555	-	555	21	
	<u>\$ -</u>	<u>\$ 2,505</u>	<u>\$ 2,505</u>	<u>\$ -</u>	<u>\$ 2,586</u>	<u>\$ 100</u>	<u>\$ 2,686</u>	<u>\$ 181</u>	
<b><u>2022 Projects</u></b>									
Clarenville Area Office Building Refurbishment	\$ 854	\$ -	\$ 854	\$ 787	\$ 135	\$ -	\$ 922	\$ 68	
	<u>\$ 854</u>	<u>\$ -</u>	<u>\$ 854</u>	<u>\$ 787</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 922</u>	<u>\$ 68</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2022
- Column B Approved Capital Budget for 2023
- Column C Total of Columns A and B
- Column D Actual Capital Expenditure for 2022
- Column E Actual Capital Expenditure for 2023
- Column F Capital Projects Carried Forward to 2024
- Column G Total of Columns D, E and F
- Column H Column G less Column C

**2023 Capital Expenditure Report  
(000s)**

**Category: Transportation**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2021 - 2022</b>	<b>2023</b>	<b>Total</b>	<b>2021 - 2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	
<b><u>2021 Projects</u></b>									
Purchase Vehicles and Aerial Devices <sup>9</sup>	\$ 4,032	\$ -	\$ 4,032	\$ 2,758	\$ 1,683	\$ -	\$ 4,441	\$ 409	15
	<u>\$ 4,032</u>	<u>\$ -</u>	<u>\$ 4,032</u>	<u>\$ 2,758</u>	<u>\$ 1,683</u>	<u>\$ -</u>	<u>\$ 4,441</u>	<u>\$ 409</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2021 and 2022
- Column B Approved Capital Budget for 2023
- Column C Total of Columns A and B
- Column D Actual Capital Expenditure for 2021 and 2022
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- Column H Column G less Column C

<sup>9</sup> In 2022, due to long delivery times, Newfoundland Power initiated a multi-year approach to procuring heavy/medium duty fleet vehicles.

**2023 Capital Expenditure Report  
(000s)**

**Category: Telecommunications**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2021 - 2022</b>	<b>2023</b>	<b>Total</b>	<b>2021 - 2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>				
<b><u>2023 Projects</u></b>									
Communications Equipment Upgrades	\$ -	\$ 118	\$ 118	\$ -	\$ 121	\$ -	\$ 121	\$ 3	
	\$ -	\$ 118	\$ 118	\$ -	\$ 121	\$ -	\$ 121	\$ 3	
<b><u>2021 - 2022 Projects</u></b>									
Fibre Optic Cable Builds	\$ 350	\$ -	\$ 350	\$ 332	\$ 97	\$ -	\$ 429	\$ 79	
	\$ 350	\$ -	\$ 350	\$ 332	\$ 97	\$ -	\$ 429	\$ 79	

\* See Appendix A for notes containing variance explanations.

Column A Approved Capital Budget for 2021 and 2022  
 Column B Approved Capital Budget for 2023  
 Column C Total of Columns A and B  
 Column D Actual Capital Expenditure for 2021 and 2022  
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 Column G Total of Columns D, E and F  
 Column H Column G less Column C

**2023 Capital Expenditure Report  
(000s)**

**Category: Information Systems**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2021 - 2022</b>	<b>2023</b>	<b>Total</b>	<b>2021 - 2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>				
<b><u>2023 Projects</u></b>									
Application Enhancements	\$ -	\$ 1,538	\$ 1,538	\$ -	\$ 1,529	\$ 127	\$ 1,656	\$ 118	
Shared Server Infrastructure	-	1,176	1,176	-	968	296	1,264	88	
System Upgrades	-	962	962	-	581	405	986	24	
Cybersecurity Upgrades	-	882	882	-	957	-	957	75	
Network Infrastructure	-	419	419	-	329	103	432	13	
Personal Computer Infrastructure	-	600	600	-	672	-	672	72	
	<u>\$ -</u>	<u>\$ 5,577</u>	<u>\$ 5,577</u>	<u>\$ -</u>	<u>\$ 5,036</u>	<u>\$ 931</u>	<u>\$ 5,967</u>	<u>\$ 390</u>	
<b><u>2021 - 2022 Projects</u></b>									
Application Enhancements	\$ 978	\$ -	\$ 978	\$ 911	\$ 134	\$ -	\$ 1,045	\$ 67	
Network Infrastructure	508	-	508	377	172	-	549	41	
	<u>\$ 1,486</u>	<u>\$ -</u>	<u>\$ 1,486</u>	<u>\$ 1,288</u>	<u>\$ 306</u>	<u>\$ -</u>	<u>\$ 1,594</u>	<u>\$ 108</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2021 and 2022
- Column B Approved Capital Budget for 2023
- Column C Total of Columns A and B
- Column D Actual Capital Expenditure for 2021 and 2022
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**2023 Capital Expenditure Report  
(000s)**

**Category: Unforeseen Allowance**

	<b>Capital Budget</b>		<b>Actual Expenditure</b>		<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2023</b>	<b>Total</b>	<b>2023</b>	<b>Carryover</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>			
<b><u>2023 Projects</u></b>							
Allowance for Unforeseen Items	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ (750)	16
	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (750)</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2023
- Column B Total of Column A
- Column C Actual Capital Expenditure for 2023
- Column D Capital Projects Carried Forward to 2024
- Column E Total of Columns C and D
- Column F Column E less Column B

**2023 Capital Expenditure Report  
(000s)**

**Category: General Expenses Capitalized**

	<b>Capital Budget</b>		<b>Actual</b>	<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2023</b>	<b>Total</b>	<b>Expenditure</b>				
	<b>A</b>	<b>B</b>	<b>2023</b>	<b>D</b>	<b>E</b>	<b>F</b>	
<b><u>2023 Projects</u></b>							
General Expenses Capitalized	\$ 4,000	\$ 4,000	\$ 5,100	\$ -	\$ 5,100	\$ 1,100	17
	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ 5,100</u>	<u>\$ 1,100</u>	

\* See Appendix A for notes containing variance explanations.

- Column A Approved Capital Budget for 2023
- Column B Total of Column A
- Column C Actual Capital Expenditure for 2023
- Column D Capital Projects Carried Forward to 2024
- Column E Total of Columns C and D
- Column F Column E less Column B

**2023 Capital Expenditure Report**  
**Multi-Year Projects**  
(000s)

**Category: Multi-Year Projects**

	<b>Capital Budget</b>			<b>Actual Expenditure</b>		<b>Carryover</b>	<b>Total</b>	<b>Variance</b>	<b>Notes*</b>
	<b>2021 - 2022</b>	<b>2023</b>	<b>Total</b>	<b>2021 - 2022</b>	<b>2023</b>				
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	
<b>Substations</b>									
MUN-T2 Power Transformer Replacement	\$ -	\$ 48	\$ 48	-	\$ 2	\$ 46	\$ 48	\$ -	
<b>Transmission</b>									
Transmission Line 55L Rebuild	-	5,328	5,328	-	3,106	2,223	5,329	1	
Transmission Line 94L Rebuild	4,473	4,346	8,819	552	7,347	-	7,899	(920)	18
<b>Distribution</b>									
Distribution Reliability Initiative	-	656	656	-	708	-	708	52	
<b>Generation - Hydro</b>									
Mobile Hydro Plant Refurbishment	-	1,666	1,666	-	431	1,235	1,666	-	
Sandy Brook Plant Penstock Replacement	400	4,694	5,094	275	4,555	300	5,130	36	
<b>Transportation</b>									
Replace Vehicles and Aerial Devices 2023-2024	-	2,833	2,833	-	1,519	155	1,674	(1,159)	19
Replace Vehicles and Aerial Devices 2022-2023	3,089	2,135	5,224	1,754	3,395	1,356	6,505	1,281	20
<b>Information Systems</b>									
Microsoft Enterprise Agreement	490	245	735	578	293	-	871	136	21
Customer Service System Replacement	25,729	5,917	31,646	13,869	15,651	2,125	31,645	(1)	
Workforce Management System Replacement	808	1,201	2,009	840	1,314	-	2,154	145	
<b>Telecommunications</b>									
St. John's Teleprotection System Replacement	450	1,150	1,600	89	969	-	1,058	(542)	22
	<b>\$ 35,439</b>	<b>\$ 30,219</b>	<b>\$ 65,658</b>	<b>\$ 17,957</b>	<b>\$ 39,290</b>	<b>\$ 7,440</b>	<b>\$ 64,687</b>	<b>\$ (971)</b>	

\* See Appendix A for notes containing variance explanations.

Column A	Approved Capital Budget for 2021 and 2022
Column B	Approved Capital Budget for 2023
Column C	Total of Columns A and B
Column D	Actual Capital Expenditure for 2021 and 2022
Column E	Actual Capital Expenditure for 2023
Column F	Capital Projects Carried Forward to 2024
Column G	Total of Columns D, E and F
Column H	Column G less Column C



# APPENDIX A:

## Variance Notes

**Generation – Hydro**

- 1. *Hydro Facility Rehabilitation (2022 Project):*  
Budget: \$2,062,000                      Actual: \$2,340,000                      Variance: 278,000

In 2023, capital expenditures associated with the *Hydro Facility Rehabilitation* project were \$278,000, or 13%, higher than the budget estimate. A component of this project involved overhauling turbine Unit 2 at the Petty Harbour hydro plant. Due to the vintage and design of the turbine, many components could not be observed prior to unit disassembly. Upon disassembly of the unit, it was determined that the internal components were more deteriorated than anticipated. As a result, more components within the turbine, mainly the wicket gate operating ring, required replacement.

**Generation – Thermal**

- 2. *Thermal Replacements Due to In-Service Failures:*  
Budget: \$335,000                      Actual: \$214,000                      Variance: (\$121,000)

The budget estimate for the *Thermal Replacements Due to In-Service Failures* program was based on the five-year historical average. 2023 capital expenditures were \$121,000, or 36%, lower than the budget estimate, primarily due to less required work being identified through inspections and engineering assessments as compared to the five-year average.

**Substations**

- 3. *Substation Replacements Due to In-Service Failures:*  
Budget: \$4,422,000                      Actual: \$5,101,000                      Variance: \$679,000

The budget estimate for the *Replacements Due to In-Service Failures* program was based on the five-year historical average. Capital expenditures in 2023 were \$679,000, or 15%, higher than the budget estimate, primarily due to costs associated with corporate spares being higher than the historical average.

- 4. *Substations Refurbishment and Modernization (2022 Project):*  
Budget: \$7,049,000                      Actual: \$9,191,000                      Variance: \$2,142,000

In 2023, capital expenditures for the *Substations Refurbishment and Modernization* project were \$2,142,000, or 30%, higher than the budget estimate, primarily due to higher material costs and contractor labour costs as compared to budget estimates. In addition, unexpected site-related issues at the Glovertown and Humber Substations resulted in construction delays and additional costs for unplanned work.

**Transmission**5. *Transmission Line Maintenance*

Budget: \$2,610,000                      Actual: \$3,449,000                      Variance: \$839,000

The budget estimate for the *Transmission Line Maintenance* program was based on the five-year historical average. In 2023, the actual expenditures for the *Transmission Line Maintenance* program were \$839,000, or 32%, higher than the budget estimate, primarily due to higher material and contractor labour costs. Additionally, unplanned corrective maintenance activities to address transmission asset failures occurred late in the year, which increased the amount of work required in 2023.

6. *Transmission Line Extension – 35L (2021 Project):*

Budget: \$1,343,000                      Actual: \$2,227,000                      Variance: \$884,000

In 2023, actual expenditure on the *Transmission Line Extension – 35L* project was \$884,000, or 66%, higher than the budget estimate resulting from an increase in materials and contract labour costs.

The budget estimate for the *Transmission Line Extension – 35L* project was based on engineering cost estimates. Original cost estimates were based on building six kilometres of transmission line and construction using wood poles. Due to land and right-of-way issues, the new line extension was routed closer to Winsor Lake, a public water supply. This change in location resulted in a requirement to construct eight kilometres of transmission line using steel poles rather than treated wood poles, which increased the cost of materials and contract labour for the project.

**Distribution**

7. *Extensions:*  
Budget: \$12,218,000      Actual: \$15,145,000      Variance: \$2,927,000

The *Extensions* program budget is determined based on the forecast number of new customer connections and the average historical cost of constructing extensions. In 2023, the actual capital expenditure for the *Extensions* program was \$2,927,000, or 24%, higher than the budget estimate.

In 2023 Newfoundland Power entered into a new contract for pole installation services, in which contract labour increased by an average of approximately 23% over the previous, expired, agreement. Additionally, the cost of pole materials increased by an average of approximately 15%. There was also an increase in the number of large-scale extensions to connect customers, including an extension of three-phase distribution line to two dairy farms located in the Town of Cormack.<sup>1</sup>

8. *Reconstruction:*  
Budget: \$6,699,000      Actual: \$7,622,000      Variance: \$923,000

The *Reconstruction* program budget estimate is determined based on the five-year historical average. The actual expenditures for the *Reconstruction* program were \$923,000, or 14%, higher than the budget estimate. In 2023, major events late in the year resulted in additional work being required as compared to the historical average.

9. *Relocate/Replace Distribution Lines for Third Parties:*  
Budget: \$3,803,000      Actual: \$3,109,000      Variance: (\$694,000)

The actual expenditure for the *Relocate/Replace Distribution Lines for Third Parties* program was \$694,000, or 18%, lower than the budget estimate.

The *Relocate/Replace Distribution Lines for Third Parties* program budget estimate is determined based on the five-year historical average. In 2023 there was a reduction in work related to the Rogers Fiber to the Home project. As a result, the amount of distribution plant requiring upgrade to accommodate the attachment of new communications plant was below the historical average.

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<sup>1</sup> A Contribution in Aid of Construction was approved for this work in Order No. P.U. 27 (2023).

**Distribution**

10. *New Services:*  
 Budget: \$2,916,000                      Actual: \$3,260,000                      Variance: \$344,000

The actual expenditure for the *New Services* program was \$344,000, or 12%, higher than the budget estimate.

The *New Services* program budget estimate is determined based on the forecast number of new customer connections, and the average historical cost of connecting a new customer. The budget was based on 2,185 new customer connections for 2023, whereas actual customer connections were 2,372, or approximately 9% above plan. Additionally, an increase in larger services, such as 400 A, required larger service conductors, contributing to the increase in costs.<sup>2</sup>

11. *New Street Lighting:*  
 Budget: \$2,618,000                      Actual: \$2,267,000                      Variance: (\$351,000)

The 2023 budget for the *New Street Lighting* program was based on the five-year historical average. Actual capital expenditures were \$351,000, or 13%, less than the budget estimate, primarily due to a 13% decrease in new street light installations as compared to previous years.

12. *Replacement Meters:*  
 Budget: \$662,000                      Actual: \$530,000                      Variance: (\$132,000)

The 2023 budget for the *Replacement Meters* program was based on the five-year historical average. Actual capital expenditures in 2023 were \$132,000, or 20%, lower than the budget estimate.

The *2023 Capital Budget Application* was the first capital budget filed under the Provisional Guidelines. The Provisional Guidelines require capital expenditures to be classified based on one of six investment classifications. Previously, budgets and expenditures for meters were pooled as a single capital project. In preparing the *2023 Capital Budget Application*, the Company split capital expenditures for meters into new and replacement to comply with the Provisional Guidelines. Newfoundland Power used a split of 70% replacement and 30% new based on previous experience, forecast customer connections and meter replacements. In 2023, the split for meters was 51% replacement and 49% new. Newfoundland Power will incorporate actual splits in its budgeting methodology going forward.

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<sup>2</sup> For example, underground service connections for 400 A and larger require 1/0 copper triplex. The cost for this material is approximately \$25 per metre, compared to overhead 2/0 aluminum triplex which costs approximately \$7 per metre.

**Distribution**

13. *Replacement Services:*  
 Budget: \$546,000                      Actual: \$352,000                      Variance: (\$194,000)

The 2023 budget for the *Replacement Services* program was based on the five-year historical average. Actual capital expenditures in 2023 were \$194,000, or 36%, lower than the budget estimate. The reduction in actual expenditures was largely due to less required work to replace failed service wire than the historical average.

14. *New Meters:*  
 Budget: \$297,000                      Actual: \$510,000                      Variance: \$213,000

The 2023 budget for the *New Meters* program was based on the forecast number of new customer connections and the five-year historical average cost. Actual capital expenditures in 2023 were \$213,000, or 72%, higher than the budget estimate.

The *2023 Capital Budget Application* was the first capital budget filed under the Provisional Guidelines. The Provisional Guidelines require capital expenditures to be classified based on one of six investment classifications. Previously, budgets and expenditures for meters were pooled as a single capital project. In preparing the *2023 Capital Budget Application*, the Company split capital expenditures for meters into new and replacement to comply with the Provisional Guidelines. Newfoundland Power used a split of 70% replacement and 30% new based on previous experience, forecast customer connections and meter replacements. In 2023, the split for meters was 51% replacement and 49% new. Newfoundland Power will incorporate actual splits in its budgeting methodology going forward.

**Transportation**

- 15. *Purchase Vehicles and Aerial Devices (2021 Project):*  
Budget: \$4,032,000      Actual: \$4,441,000      Variance: \$409,000

Actual capital expenditures for the *Purchase Vehicles and Aerial Devices* project were \$409,000, or 10%, higher than the budget estimate, primarily due to vendor price increases resulting from supply chain disruptions affecting the price of raw materials and parts and a manufacturer labour shortage.

In 2023 the Company received the heavy fleet vehicles ordered under the *Purchase Vehicles and Aerial Devices* project in 2021. The original pricing remained in place for the cab and chassis units, but, due to the long delivery times, the cost for the five aerial devices increased by 18% per unit.

**Unforeseen Allowance**

16. Allowance for Unforeseen Items:  
Budget: \$750,000                      Actual: \$0                      Variance: (\$750,000)

No expenditures were required in 2023.

**General Expenses Capitalized**

17. *General Expenses Capitalized:*  
Budget: \$4,000,000      Actual: \$5,100,000      Variance: \$1,100,000

In 2023, actual capital expenditures for *General Expenses Capitalized* were \$1,100,000, or 28%, higher than the budget estimate, resulting primarily from inflationary increases and additional labour costs for capital planning.

**Multi-Year Projects**

18. *Transmission Line Rebuild (94L) (2022-2024 Multi-Year Project)*  
Budget: \$8,819,000      Actual: \$7,899,000      Variance: (\$920,000)

The *Transmission Line Rebuild (94L)* project was a multi-year project that commenced in 2022. Actual capital expenditures to date were \$7,899,000. As described in Appendix B, Newfoundland Power is reviewing the remaining scope of work for the *Transmission Line Rebuild (94L)* project as a result of increased contract prices to complete the work.

19. *Replace Vehicles and Aerial Devices (2023-2024)*  
Budget: \$2,833,000      Actual: \$1,674,000      Variance: (\$1,159,000)

The *Replace Vehicles and Aerial Devices (2023-2024)* project is a multi-year project that commenced in 2023. Actual capital expenditures incurred to date are \$1,674,000, including \$155,000 carried over into 2024. The overall reduction in expenditure of \$1,159,000 associated with the *Replace Vehicles and Aerial Devices (2023-2024)* project is largely due to adjustments in the number of passenger vehicles and offroad vehicles ordered by the Company in order to accommodate the purchase of an additional heavy-duty fleet vehicle as described in Note 20 below. Overall, transportation expenditures in 2023 resulted in a variance of \$122,000.

20. *Replace Vehicles and Aerial Devices (2022-2023)*  
Budget: \$5,224,000      Actual: \$6,505,000      Variance: \$1,281,000

The *Replace Vehicles and Aerial Devices (2022-2023)* project was a multi-year project that commenced in 2022. Actual capital expenditures were \$6,505,000 including \$1,356,000 carried over into 2024. In 2023, the Company determined that an additional heavy-duty fleet vehicle from plan was required in the Western Region to maintain appropriate resourcing and deployment capabilities for field crews.<sup>3</sup> Overall, transportation expenditures in 2023 resulted in a variance of \$122,000.

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<sup>3</sup> In the Corner Brook area, there are 10 Powerline Technicians ("PLTs"). Typically, field crews are deployed in heavy-duty vehicles in groups of two. The Corner Brook area was operating with four heavy-duty vehicles. Scheduled and unscheduled maintenance of heavy-duty fleet vehicles hindered the Company's ability efficiently respond to customer requirements in this operating area.

**Multi-Year Projects**

- 21. *Microsoft Enterprise Agreement (2021-2023 Multi-Year Project)*  
Budget: \$735,000                      Actual: \$871,000                      Variance: \$136,000

The *Microsoft Enterprise Agreement* project was a multi-year project that commenced in 2021. Actual capital expenditures were \$136,000, or 19% higher than the total budget estimate, largely due to increases in vendor pricing, as well as an increase in the number of licenses required.

- 22. *St. John’s Teleprotection System Replacement (2022-2023 Multi-Year Project)*  
Budget: \$1,600,000                      Actual: \$1,058,000                      Variance: (\$542,000)

The *St. John’s Teleprotection System Replacement* project was a multi-year project that commenced in 2022. Actual capital expenditures were \$542,000 or 34%, lower than the total budget estimate, largely due to the Company securing favorable contract pricing through the tendering process.



# **APPENDIX B:**

## **Discussion of Capital Expenditures**

## *Discussion of Capital Expenditures*

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### *Newfoundland Power's Capital Planning Process*

Newfoundland Power's annual capital expenditures are the product of a comprehensive capital planning process. The Company's capital planning process applies sound engineering and objective data to determine which expenditures are required annually to provide customers with access to safe and reliable service, in an environmentally responsible manner, at the lowest possible cost.

Newfoundland Power's annual capital expenditures include a combination of recurring programs and specific projects. The capital planning process for programs and projects is described below.

#### *Capital Program Planning*

Programs include capital investments related to high-volume, repetitive work that is required on an ongoing basis. Programs include:

- (i) Capital work required to connect new customers to the electrical system, such as the installation of services and meters;
- (ii) Corrective and preventative maintenance programs necessary to maintain the electrical system, including the replacement of equipment that has failed or deteriorated; and
- (iii) Capital expenditures necessary to replace or add specific materials used in providing service to customers, such as personal computers, tools and equipment.

Programs required to connect new customers to the electrical system are generally budgeted on the basis of forecast customer requirements. Each year, Newfoundland Power updates its capital plan to reflect its most recent Customer, Energy and Demand Forecast. The Customer, Energy and Demand Forecast estimates new customer connections that are expected over the next five years based on economic inputs from the Conference Board of Canada, such as forecast housing starts. This data is then used to determine forecast expenditures to connect new customers, including forecast expenditures for meters, services, and extensions to the distribution system.

Programs required to complete corrective and preventative maintenance of the electrical system are generally budgeted on the basis of historical expenditures and forecast inflation.<sup>1</sup> Capital requirements for corrective and preventative maintenance programs tend to be reasonably stable over time. Each year, the Company updates its forecast expenditures for these programs based on the most recent five-year average of expenditures and the latest forecast of inflation. This budgeting methodology helps to ensure forecast expenditures reflect the Company's most recent experience with maintaining the electrical system.

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<sup>1</sup> Inflation is calculated on the basis of the GDP Deflator for Canada for non-labour costs and the Company's internal labour inflation rate for labour costs.

## ***Discussion of Capital Expenditures***

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Capital expenditures for programs required to replace or add specific materials used in providing service to customers are generally budgeted based on a combination of historical expenditures, forecast inflation, and identified operational requirements. For example, identified operational requirements could include the need to purchase a specific quantity of personal computers.

In forecasting program expenditures, Newfoundland Power reviews any recent variances in actual costs from approved budgets and the reasons for those variances. If significant variances are observed in consecutive years, an analysis is undertaken to determine whether a different budgeting methodology would be more reflective of forecast requirements.<sup>2</sup>

### ***Capital Project Planning***

Projects include capital investments for identifiable assets where the required work has a defined schedule, scope and budget based on detailed engineering estimates.

Forecast expenditures related to projects are updated annually to reflect the latest:

- (i) Condition assessments of electrical system assets. Information on asset condition is obtained through annual inspection programs, engineering reviews and recent operating experience. This information identifies equipment that is deteriorated, deficient, or has failed and requires replacement or refurbishment to extend its useful service life.
- (ii) Forecasts of electrical system load. System load forecasts are produced annually using computer modelling to determine any areas where capital expenditures are required to respond to customers' changing electrical system requirements.
- (iii) Changes in economic factors or industry requirements. This may include changes in engineering standards, regulatory requirements, or economic factors, such as marginal system costs, that could affect requirements for capital expenditures.
- (iv) Changes in operational requirements. This may include changes affecting Company information systems, such as obsolescence or cybersecurity requirements, as well as opportunities identified to enhance operational efficiency or effectiveness.

### ***2023 Capital Expenditures Overall***

As detailed in the *2023 Capital Expenditure Report*, approved capital expenditures in 2023 totalled \$122.9 million. Actual expenditures were \$124.2 million, including forecast expenditures of \$10.8 million carried forward into 2024. Actual expenditures were \$1,258,000 or 1% higher than the total approved capital budget of \$122.9 million.

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<sup>2</sup> For example, Newfoundland Power adjusted its budget for forecasting expenditures under its *Street Lighting* program as part of its *2022 Capital Budget Application* in response to previous variances.

*Discussion of Capital Expenditures*

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*2023 Capital Project Changes*

The *Transmission Line Rebuild (94L)* project was a multi-year project that commenced in 2022. The 2022 scope of work was executed in 2023, due in part to environmental assessment and permitting delays.

Newfoundland Power is reviewing the remaining scope of work for the *Transmission Line Rebuild (94L)* project as a result of increased contract prices to complete the work, which will result in a material increase in project expenditures. Consistent with section V.6 of the Provisional Guidelines, the Company will file information associated with the material increase in expenditures, along with any material changes in the remaining scope of work, associate with this project for further review by the Board as part of its *2025 Capital Budget Application*.



# APPENDIX C:

## Key Performance Indicators

A summary in table and graphical format of variance metrics for capital projects and programs. is provided below in accordance with the Provisional Guidelines.<sup>1</sup>

### 2023 Capital Projects

In 2023, Newfoundland Power had a total of 37 capital projects, 19 of which were fully completed in 2023.<sup>2</sup> The approved budget of the 19 completed capital projects totaled \$26,401,000 and the final cost was \$26,520,000.

Table 1 provides the number of capital projects planned compared to the number of capital projects completed, presented by investment classification and materiality threshold.

Table 1 2023 Capital Projects Planned and Completed			
Investment Classification	Materiality Threshold	Planned	Completed
Access	<\$1 million	-	-
	\$1 million to \$5 million	2	2
	>\$5 million	-	-
<b>Total Access</b>		<b>2</b>	<b>2</b>
General Plant	<\$1 million	6	3
	\$1 million to \$5 million	5	2
	>\$5 million	2	-
<b>Total General Plant<sup>3</sup></b>		<b>13</b>	<b>5</b>
Mandatory	<\$1 million	3	3
	\$1 million to \$5 million	1	1
	>\$5 million	-	-
<b>Total Mandatory</b>		<b>4</b>	<b>4</b>

<sup>1</sup> As this is a new requirement, Newfoundland Power is only providing variance metrics for 2023 at this time. In the future, as Newfoundland Power executes its annual capital program, it will report on additional years of variance metrics to provide graphical data in addition to tabular data.

<sup>2</sup> Projects not completed included six multi-year capital projects that commenced in 2023 and continued in 2024. An additional 12 capital projects had forecast carryover expenditures into 2024 as outlined above.

<sup>3</sup> Of the eight capital projects not completed in 2023, one project is an ongoing multi-year project with expenditures in 2024. Six capital projects are substantially complete, with small carryovers forecasted in 2024. One capital project with carryover forecasted in 2024 is anticipated to be completed by the second quarter of 2024 as a result of the timing of availability of resources.

Table 1 2023 Capital Projects Planned and Completed			
Investment Classification	Materiality Threshold	Planned	Completed
Renewal	<\$1 million	5	4
	\$1 million to \$5 million	6	1
	>\$5 million	3	-
<b>Total Renewal<sup>4</sup></b>		<b>14</b>	<b>5</b>
Service Enhancement	<\$1 million	1	1
	\$1 million to \$5 million	1	-
	>\$5 million	1	1
<b>Total Service Enhancement<sup>5</sup></b>		<b>3</b>	<b>2</b>
System Growth	<\$1 million	1	1
	\$1 million to \$5 million	-	-
	>\$5 million	-	-
<b>Total System Growth</b>		<b>1</b>	<b>1</b>
Overall	<\$1 million	16	12
	\$1 million to \$5 million	15	6
	>\$5 million	6	1
<b>Total Overall</b>		<b>37</b>	<b>19</b>

<sup>4</sup> Of the nine capital projects not completed in 2023, five projects are ongoing multi-year projects with expenditures in 2024. The remaining four capital projects are substantially complete with small carryovers forecasted into 2024 to accommodate delivery times of materials or to complete minor site work.

<sup>5</sup> The *Distribution Feeder Automation* project was not completed in 2023, with carryover forecasted into 2024 to accommodate delayed delivery of materials.

Table 2 provides the approved 2023 budget amount of the capital projects that were completed in 2023 compared to the final cost of the project, presented by investment classification and materiality threshold.

Table 2 2023 Capital Projects Completed Budget and Final Costs (\$000s)			
Investment Classification	Materiality Threshold	Approved Budget	Final Cost
Access	<\$1 million	-	-
	\$1 million to \$5 million	6,003	5,543
	>\$5 million	-	-
<b>Total Access</b>		<b>6,003</b>	<b>5,543</b>
General Plant	<\$1 million	1,703	1,878
	\$1 million to \$5 million	2,351	1,900
	>\$5 million	-	-
<b>Total General Plant</b>		<b>4,054</b>	<b>3,778</b>
Mandatory	<\$1 million	1,422	738
	\$1 million to \$5 million	4,000	5,100
	>\$5 million	-	-
<b>Total Mandatory</b>		<b>5,422</b>	<b>5,838</b>
Renewal	<\$1 million	2,659	2,609
	\$1 million to \$5 million	1,577	1,556
	>\$5 million	-	-
<b>Total Renewal</b>		<b>4,236</b>	<b>4,165</b>
Service Enhancement	<\$1 million	563	511
	\$1 million to \$5 million	-	-
	>\$5 million	5,453	5,953
<b>Total Service Enhancement</b>		<b>6,016</b>	<b>6,464</b>

Table 2 2023 Capital Projects Completed Budget and Final Costs (\$000s)			
Investment Classification	Materiality Threshold	Approved Budget	Final Cost
System Growth	<\$1 million	670	732
	\$1 million to \$5 million	-	-
	>\$5 million	-	-
<b>Total System Growth</b>		<b>670</b>	<b>732</b>
Overall	<\$1 million	7,017	6,468
	\$1 million to \$5 million	13,931	14,099
	>\$5 million	5,453	5,953
<b>Total Overall</b>		<b>26,401</b>	<b>26,520</b>

*Key Performance Indicators*

*2023 Capital Programs*

In 2023, Newfoundland Power had four capital programs whose budgets were determined based on forecast customer connections or forecast units to be replaced. These include the *Extensions* program, *New Services* program, *New Meters* program, and *Replacement Meters* program.

Table 3 provides the approved budget and final cost, number of units planned and completed, as well as the estimated average unit cost and actual average unit cost by materiality threshold.

Table 3 2023 Capital Programs							
Materiality Threshold	Program	Approved Budget (\$000s)	Final Cost (\$000s)	Number of Planned Units <sup>6</sup>	Actual Number of Units <sup>7</sup>	Estimated Average Unit Cost (\$)	Actual Average Unit Cost (\$)
<\$1 million	New Meters	297	510	2,185	2,372	136	215
	Replacement Meters	662	530	4,877	2,898	136	183
\$1 million to \$5 million	New Services	2,916	3,260	2,185	2,372	1,335	1,374
>\$5 million	Extensions	12,218	15,145	2,185	2,372	5,592	6,385

<sup>6</sup> For the *New Meters*, *New Services*, and *Extensions* programs, planned units reflect the forecasted customer connections. For the *Replacement Meters* program, planned units reflect the sum of forecast replacement meters, Compliance Sampling Orders (“CSOs”) and Government Retest Orders (“GROs”).

<sup>7</sup> For the *New Meters*, *New Services*, and *Extensions* programs, actual units reflect the actual number of customer connections. For the *Replacement Meters* program, actual units reflect the sum of meters replaced, CSOs, and GROs.