

1 **Q. Given the current pressures on customer rates has Newfoundland Power considered**
2 **whether there is an opportunity to delay or reduce capital expenditures? For**
3 **example, has Newfoundland Power considered whether continued expenditures on**
4 **Distribution Automation are necessary to ensure the continued provision of safe and**
5 **reliable electricity supply to customers in 2020?**
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7 A. Newfoundland Power is always required to ensure its capital expenditures are consistent
8 with the least-cost delivery of safe and reliable service to customers.¹ The Company
9 continuously applies this standard in its capital budget applications to ensure proposed
10 expenditures benefit customers and comply with the provincial power policy.
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12 All capital expenditures proposed in Newfoundland Power's *2020 Capital Budget*
13 *Application* meet this standard. This includes expenditures related to Distribution Feeder
14 Automation, which has been recognized as providing both reliability and efficiency
15 benefits to customers.² Such initiatives permit reliable service delivery *and* effective
16 management of the overall costs borne by customers through customer rates.
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18 For more information on Newfoundland Power's approach to controlling its capital
19 expenditures, see response to Request for Information PUB-NP-001.

¹ See Section 3(b)(iii) of the *Electrical Power Control Act, 1994*.

² See response to Request for Information PUB-NP-001, page 5, line 24, *et seq.*