

1 Q. What would happen if the Board were to disallow costs for feeder improvement programs for  
2 the next two years? If the Board were to disallow cost recovery, would Hydro do the work  
3 anyway since you believe the work is so important for customer reliability?  
4

5  
6 A. Newfoundland and Labrador Hydro (“Hydro”) is legislated not to proceed with the construction,  
7 purchase or lease of improvements or additions to its property without prior approval of the  
8 Board of Commissioners of Public Utilities (“Board”).<sup>1</sup> If the Board disallowed costs for feeder  
9 improvement programs, Hydro would not complete the above specified work. If the feeder  
10 improvement programs are not complete it would create a growing backlog of deficiencies that  
11 would have a negative impact on future costs and present an increased risk to distribution  
12 system reliability, which would potentially impact customer service.

---

<sup>1</sup> *Public Utilities Act*, RSNL 1990, c P-47, s 41(3).