1   **Q.**   **(Reference Application Schedule B, pages 22 and 23 of 98) Why has there been such**
2   **a huge increase in costs of the Transmission Line Rebuild (Clustered) project**
3   **beginning in 2019? The 2019 actual cost of the project represents a 121% increase**
4   **over 2017 actual costs. The average annual cost forecast for the 2023 to 2025 time-**
5   **frame represents a 191% increase over 2017 actual cost.**
6
7   A.   The increase in costs for the Transmission Line Rebuild project in 2019, compared to
8   2017, is a direct result of the number of kilometres rebuilt and the requirement to
9   reconfigure the transmission system serving customers in Central Newfoundland
10
11   In 2017, Newfoundland Power rebuilt approximately 24 kilometres of transmission line.[1]
12   In 2019, the Company rebuilt approximately 38 kilometres of transmission line.[2] This
13   represents an increase of approximately 60% in the total kilometres rebuilt.[3]
14
15   In addition, 2019 was the first year of implementing the recommendations of the *Central*
16   *Newfoundland System Planning Study.* This study identified the least-cost alternative to
17   replace the deteriorated transmission lines 101L and 102L. A total of 14 kilometres of
18   transmission line was constructed in 2019 to implement the study's recommendations.
19   There were no comparable expenditures in 2017.
20
21   The average annual forecast cost for Newfoundland Power's Transmission Line Rebuild
22   Strategy over the period 2023 to 2025 reflects the number of kilometres to be rebuilt each
23   year and the type construction of the lines to be rebuilt. For more information on the
24   2023 to 2025 annual forecast, see response to Request for Information CA-NP-116.

---

[1]   See the *2017 Capital Budget Application, Report 3.1, 2017 Transmission Line Rebuild,* page 1, Table 1.
[2]   See the *2019 Capital Budget Application, Report 3.1, 2019 Transmission Line Rebuild,* page 1, Table 1.
[3]   38 - 24 / 24 = 0.58, or approximately 60%.