

1 **Q. (Reference Application Schedule B, pages 45, 46 and 47 of 98) What is the basis for**
2 **the Rebuild Distribution Lines (Pooled) project? Has it received Board approval?**
3

4 A. For a detailed description of the *Rebuild Distribution Lines* project please refer to the
5 response to Request for Information CA-NP-049.
6

7 The Company formalized its distribution line inspection program in 1998. The *Rebuild*
8 *Distribution Lines* project was first introduced in its current form in Newfoundland
9 Power's *2004 Capital Budget Application* and has been included in each annual capital
10 budget since that time. The annual capital expenditures associated with each *Rebuild*
11 *Distribution Lines* project since 2004 have all been approved by the Board.
12

13 The *Report on Island Interconnected System to Interconnection with Muskrat Falls*
14 *addressing Newfoundland Power* completed by The Liberty Consulting Group
15 ("Liberty") on behalf of the Board concluded that Newfoundland Power's distribution
16 feeder and pole inspections and corrective maintenance practices are generally consistent
17 with good utility practices.
18

19 The Board found that Liberty's review of Newfoundland Power was comprehensive and
20 confirmed that Newfoundland Power's operations conform to *good utility practice*. The
21 *Rebuild Distribution Lines* capital project was featured prominently in the Liberty review.
22 In section 7.2.3 of the Board's Phase One Report, September 29, 2016, it states:
23

24 *Liberty's review of Newfoundland Power was comprehensive and confirmed that*
25 *Newfoundland Power's operations conform to good utility practice and that*
26 *Newfoundland Power's reliability performance has been better than Canadian*
27 *comparators. Further Liberty's report confirmed that Newfoundland Power did not*
28 *cause or contribute to the January 2014 outages.*
29

30 *The Board believes that Newfoundland Power is well positioned to effectively meet its*
31 *obligations with respect to the adequate and reliable supply of power on the Island*
32 *Interconnected system until interconnection with Muskrat Falls. The Board is*
33 *satisfied that Newfoundland Power has substantively addressed the recommendations*
34 *set out in Liberty's report.*¹

¹ Newfoundland Power addressed the recommendations set out in Liberty's report in its *2016 Capital Budget Application*, in the report titled *2015 Distribution Reliability Review*.