Q. (Reference CA-NP-055) Why are 8 inspections completed annually rather than 6 or 4 or 1? How did Newfoundland Power decide that "8" inspections were required? Please provide a description of these inspections and if reports were documented? What would the cost of this program be in 2023 if the number of inspections was reduced?

A. The number of substation inspections completed per year has been optimized over time to make the best use of resources while proactively identifying any issues with equipment or hazards at the Company's substations. Historically, substation inspections were completed on a monthly basis.[1] Each substation is now inspected eight times per year, or approximately every six weeks, alternating between short and long inspections.

Long inspections are completed on a quarterly basis. A long inspection involves a detailed inspection of all major equipment in the substation. Each major piece of substation equipment has an individual checklist that must be completed including equipment status, condition of individual components, and recording of all relevant measurements. The long inspection also includes all items on the short inspection list.

Short inspections are completed between long inspections. A short inspection is primarily intended as a means to check the physical condition of equipment and the presence of any hazards in and around the substation. This includes, but is not limited to, checking equipment for physical damage, oil leaks, and vandalism. Short inspections also include confirming fence integrity, substation access, lighting, and checking the condition of all first aid and safety equipment.

The annual operating cost associated with the substation inspection program is approximately $524,000.[2] Decreasing the number of substation inspections to lower the inspection cost would result in increased costs elsewhere. These increased costs would result from reduced safety and reliability of the substation assets due to issues going undetected for longer periods of time. This would likely result in more frequent outages and increased corrective maintenance costs. When possible, inspections are coordinated with other preventative and corrective maintenance activities such as oil sampling, troubleshooting, and equipment testing. Reducing the number of substation inspections would reduce the ability to complete these activities concurrently, and eliminate cost savings associated with coordinating this work.

[1] The Company gathers selected substation data on a monthly basis for various reports. Prior to the current level of Supervisory Control and Data Acquisition ("SCADA") technology, collecting this substation data required an employee visit to most substations. At that time, substation inspections were coordinated with monthly visits to gather substation data. Monthly substation data is now collected remotely through the SCADA system.

[2] See the response to Request for Information CA-NP-055, Table 1.