

- 1 **Q. (Reference CA-NP-081b)**
2 **It is stated “Newfoundland Power does not anticipate that its asset**
3 **management review will result in a cessation of expenditures associated with**
4 **corrective and preventative maintenance of the electricity system.” What**
5 **impact does NP expect the asset management review will have on**
6 **expenditures associated with corrective and preventative maintenance? Will**
7 **it enable NP to quantify the risk of proceeding relative to delaying the**
8 **project? Will it enable NP to quantify reliability improvements resulting from**
9 **the project?**
- 10
11 A. Corrective and preventative maintenance practices are consistent with the delivery of
12 reliable service to customers at the lowest possible cost. The Company expects that
13 corrective and preventative maintenance practices and expenditures will continue.
14 Given the increasing number of assets nearing the end of their typical useful life, a rise
15 in failures is expected in the future.¹ The Company is analyzing its inspection and
16 maintenance practices as outlined in its high-level implementation plan. Changes may be
17 proposed or implemented where potential enhancements are identified.²
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19 The evolution of a risk quantification capability involves a series of fundamental
20 intermediate steps including, but not limited to, increased data collection and
21 incorporation of financial inputs. Attainment of these intermediate capabilities may
22 necessitate additional resources and, if regulatory approval is required for their
23 implementation, they would be proposed for Board approval through normal regulatory
24 proceedings including annual capital budget applications.

¹ See Newfoundland Power’s *2025 Capital Budget Application, 2025-2029 Capital Plan, 2.4 Asset Condition Outlook*.

² See Newfoundland Power’s *2025 Capital Budget Application, 2025-2029 Capital Plan, Appendix B*.