

- 1 **Q. (Reference CA-NP-153)**
 2 **The Rebuild Distribution Lines program.**
 3 **a) Please provide a table with the same cost categories as Table 2 (Schedule**
 4 **B, page 25) for the years, 2020 to 2024F.**
 5 **b) If contract costs for this program were to be higher than expected, please**
 6 **explain how NP would proceed and how NP has addressed this situation if**
 7 **it has occurred in the past.**
 8
 9 A. a) See Table 1 below showing the annual expenditures for the *Rebuild Distribution*
 10 *Lines* program in split costs from 2020 to 2024F

Table 1: 2020-2024F Rebuild Distribution Lines Program (\$000s)					
Threshold	2020	2021	2022	2023	2024F
Material	1,657	750	734	1,733	1,204
Labour – Internal	1,847	2,248	1,953	2,666	2,479
Labour – Contract	241	602	763	382	735
Engineering	40	325	326	231	315
Other	200	218	180	72	241
Total	3,985	4,143	3,956	5,084	4,974

- 11 b) Newfoundland Power's contract procurement uses a tender process to ensure the
 12 least cost options for qualified contractors are utilized. In the past, Newfoundland
 13 Power has addressed higher than expected contractor costs by evaluating the
 14 structure of the request for proposal and tender, awarding partial contracts, and
 15 negotiating with contractors to manage costs. In conjunction with these
 16 procurement procedures, internal contract leaders continuously monitor
 17 expenditures related to this program.