Q. (Reference 2027-2031 Capital Plan)

It is stated (page 6) "*The Company's asset management practices have been found to conform with good utility practice*", referencing the Liberty Consulting Group 2014 Report on Island Interconnection System to Interconnection with Muskrat Falls addressing Newfoundland Power Inc.

a) Is this the most recent review of NP's asset management practices?
b) Please identify any references in this report that examined the trade-off between cost and reliability.

A. a) No, the 2014 Liberty Consulting Group ("Liberty") review is not the most recent review of Newfoundland Power's asset management practices.

Since the Liberty review, Newfoundland Power completed a comprehensive Asset Management Review between 2022 and 2024, consisting of a current state assessment, target state assessment, and implementation planning phase. As part of the current state assessment, a consultant benchmarked Newfoundland Power's asset management practices against ISO 55001 requirements and the Institute of Asset Management assessment framework to identify opportunities for continued asset management maturity.[1] The findings of this review informed the Company's ongoing asset management maturation and subsequent improvement initiatives.[2]

The Company is currently undertaking an asset management maturity assessment aligned with ISO 55001 to establish a baseline of current organizational practices and identify opportunities for continued improvement, as outlined in the *2027-2031 Capital Plan*. This assessment forms part of the Company's ongoing efforts to mature its asset management practices.

b) The referenced report is the *Executive Summary of the Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power Inc*. That report was completed as part of the Board's study on *Supply Issues and Power Outages on the Island Interconnected System*. In that context, Liberty made several recommendations for a least-cost

---

[1] For additional information on Newfoundland Power's Asset Management Review, see the *2025 Capital Budget Application*, *2025-2029 Capital Plan*, Appendix B.

[2] Examples of initiatives informed by the Asset Management Review include the ongoing *Asset Management Technology Replacement* project and the continued development of long-term asset strategies, such as the Company's *Substation Power Transformer Strategy*. See the *2025 Capital Budget Application*, report *6.2 Asset Management Technology Replacement*, and the *2026 Capital Budget Application*, report *2.2 Substation Power Transformer Strategy*.

approach to optimizing reliability for customers on the Island Interconnected System including, at various points, discussion of cost.[3]

The response to Request for Information CA-NP-011 provides an update on the status of the development of a strategic plan on balancing cost and reliability, as directed by the Board.

[3] For example, Liberty states, "*Transmission and distribution electric power system designs need to balance cost, reliability, and load growth needs*." See The Liberty Consulting Group, *Executive Summary of the Report on Island Interconnected System to Interconnection with Muskrat Falls addressing Newfoundland Power Inc.*, December 17, 2014, page 9.