

Q. Reference: Newfoundland Power's 2027 Capital Budget Application, Response to PUB-NP-004

- a) Explain whether any portion of the proposed scope relates to remaining or follow-up work on feeders that were inspected and addressed under the Rebuild Distribution Lines program within the past seven years. If so, identify the reasons the current scope was not completed as part of the prior work.**
- b) Does Newfoundland Power have a target on the number of feeder refurbishment and modernization projects proposed annually, or on the annual capital expenditure allocated to such projects? If so, explain how that target is determined and how it affects the selection, timing and deferral of candidate feeder projects.**
- c) Please identify whether Newfoundland Power forecasts any remaining refurbishment or modernization work on these same feeders within the next seven years, or under any of the other programs. If so, provide the expected scope and explain why that work is not included in the proposed project scope.**
- d) Explain how Newfoundland Power determines when additional feeder replacement or refurbishment work is no longer economically justified, even where additional work could further improve asset condition.**

A. a) The scopes of work proposed for each feeder refurbishment capital project do not relate to remaining or follow-up work on the feeders that were inspected and addressed in the *Rebuild Distribution Lines* program. As provided in the response to Request for Information PUB-NP-004, the scopes of work for the proposed feeder refurbishment capital projects address a significant quantity of identified deterioration on specific and targeted sections of each distribution feeder that were determined to be beyond the scope of what could reasonably have been completed under the *Rebuild Distribution Lines* program.

Deficiencies identified in accordance with the Company's *Distribution Inspection and Maintenance Practices* would be addressed under the appropriate distribution maintenance program based on the assigned priority.

- b)** Newfoundland Power does not target a specific number of feeder refurbishment projects or a specific annual capital expenditure associated with feeder refurbishment projects. As part of its five-year capital plan, the Company provides the level of investment that is currently anticipated over the next five years to address deteriorated infrastructure on distribution feeders. As capital projects move from the forecast period to the budget year, they are examined in detail to further assess the scope and justification of the required work. Once it is determined that a capital expenditure may be necessary, Newfoundland Power assesses all viable alternatives for executing the required work. This includes both alternatives to the scope of a capital project, such as a like-for-like

1 replacement or upgrade, and alternatives that could result in the deferral of
2 capital expenditures.¹

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4 c) The scopes of work identified for the proposed distribution feeder refurbishment
5 capital projects are limited to specific and targeted sections of each distribution
6 feeder. However, this does not negate or eliminate the need for the entire feeder
7 to be inspected in accordance with the inspection frequency set out in the
8 *Distribution Inspection and Maintenance Practices*. If the distribution feeder is
9 scheduled for inspection within the next seven years in accordance with the
10 Company's *Distribution Inspection and Maintenance Practices*, there may be
11 additional deficiencies identified on the distribution feeder that are required to be
12 addressed under the *Reconstruction* and/or *Rebuild Distribution Lines* programs.²

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14 Newfoundland Power is unable to provide an expected scope of future capital
15 work under the *Reconstruction* and/or *Rebuild Distribution Lines* programs for
16 these distribution feeders as the scope of work is determined by the results of
17 inspections completed on the distribution feeders. As provided in Schedule B to
18 the Application, the broad scope of the *Reconstruction* and/or *Rebuild*
19 *Distribution Lines* programs involves addressing deficiencies such as deteriorated
20 or failed poles, crossarms, conductor, cutouts and insulators.³

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22 d) The scope of work for distribution feeder refurbishment capital projects is
23 informed by engineering assessments and inspection results in accordance with
24 the Company's *Distribution Inspection and Maintenance Practices*. As described
25 in the responses to Requests for information PUB-NP-023 and PUB-NP-024, the
26 Company's comprehensive capital planning process is completed annually and
27 includes assessments of alternatives as required by the Provisional Guidelines.
28 This annual update of the Company's capital plan ensures that the scope of work
29 proposed for all capital projects is determined to be justified and necessary to
30 meet the Company's statutory obligations under the *Public Utilities Act* and the
31 *Electrical Power Control Act, 1994*.⁴ Newfoundland Power would not apply for
32 capital expenditures that were not determined to be justified and necessary in
33 accordance with the established regulatory framework.

¹ See the *2027 Capital Budget Application, 2027 Capital Budget Overview*, section 2.2.3 *Capital Project Planning*.

² For example, distribution feeder CAB-01 last underwent an inspection in accordance with the *Distribution Inspection and Maintenance Practices* in 2024 as provided in the response to Request for Information PUB-NP-004, Table 1. The feeder is currently planned for inspection on a seven-year frequency, with the next inspection in accordance with the *Distribution Inspection and Maintenance Practices* planned for 2031.

³ Descriptions of the respective scopes of work for these programs can be found in the *2027 Capital Budget Application, Schedule B*, page 41 and 47.

⁴ See the *2027 Capital Budget Application, 2027 Capital Budget Overview*, section 2.2 *Capital Planning at Newfoundland Power*.