

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

3
4 **For the feeder refurbishment and modernization project, provide the**
5 **following:**

- 6 **a) Ranking of each proposed feeder compared with other candidate**
7 **feeders considered for refurbishment or modernization.**
8 **b) The analysis used to confirm that the proposed scope is the least-cost**
9 **approach to addressing the identified asset-condition risks, including**
10 **any comparison with alternatives such as targeted replacement, partial**
11 **refurbishment, or deferral with monitoring.**

12
13 **A.** a) There were no other distribution feeders identified as part of the *2027 Capital*
14 *Budget Application* process for potential inclusion in the Application. As a result,
15 the requested comparison cannot be provided. For additional information on how
16 the Company balances and prioritizes the work to be undertaken as part of
17 distribution feeder refurbishment capital projects, see the response to Request
18 for Information PUB-NP-024, part b).

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20 b) The analysis undertaken to confirm that the proposed refurbishments are the
21 least-cost alternatives to address identified asset condition risks is provided in
22 Schedule B for each proposed distribution feeder refurbishment capital project.¹

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24 The Provisional Guidelines require an assessment of alternatives for capital
25 projects with materiality greater than \$1,000,000.² In compliance with the
26 Provisional Guidelines, Newfoundland Power completed assessments of
27 alternatives for the proposed *Distribution Feeder GBY-01 Refurbishment* and
28 *Distribution Feeder ILC-02 Refurbishment* projects.³ The assessments evaluated
29 the three alternatives outlined in the Provisional Guidelines including deferral,
30 upgrade life extension (which involves a targeted capital or major maintenance),
31 and like-for-like asset replacement.⁴

32
33 The assessments of alternatives determined that, for both proposed capital
34 projects, deferral is not a viable alternative due to the advanced degradation
35 present on the specific sections of the feeders. Like-for-like asset replacement is
36 not a viable alternative for the *Distribution Feeder GBY-01 Refurbishment* project
37 due to the presence of non-standard conductor and equipment that requires

¹ See the *2027 Capital Budget Application, Schedule B*, pages 14 and 24.

² See the Provisional Guidelines, page 15 of 18.

³ While the proposed *Distribution Feeder CAB-01 Refurbishment* and *Distribution Feeder GDL-02 Loop 10 and 20 Refurbishment* projects have materialities less than \$1,000,000 and do not require assessments of alternatives in accordance with the Provisional Guidelines, Newfoundland Power completes alternatives assessments as part of the planning process to ensure the proposed scopes are the least-cost alternatives to address identified asset condition risks.

⁴ See the Provisional Guidelines, page 15 of 18.

1 upgrading to current standards and to effectively pick up load.⁵ Like-for-like
2 asset replacement is not a viable alternative for the *Distribution Feeder ILC-02*
3 *Refurbishment* project due to an identified overload condition that requires
4 upgrading to meet customer demand in the area.⁶
5

6 As a result, the only viable alternative identified for both proposed capital
7 projects is to complete an upgrade and life extension. The scopes of work
8 proposed as part of the distribution feeder refurbishment capital projects are
9 targeted refurbishments of specific sections of each distribution feeder and do
10 not constitute replacement or refurbishment of the entire distribution feeder.

⁵ See the *2027 Capital Budget Application, Schedule B*, page 14.

⁶ *Ibid.*, page 25.