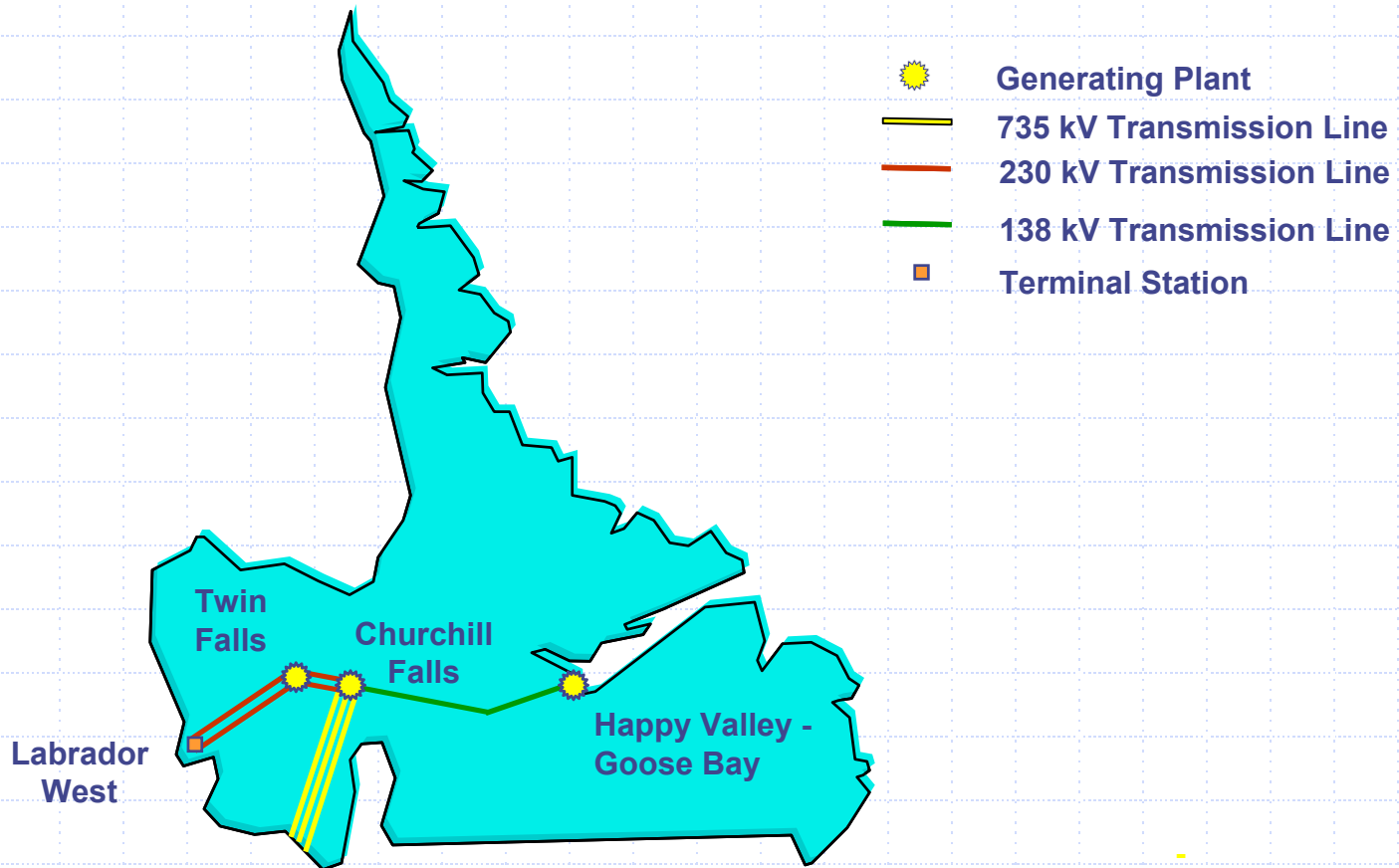


Transmission and Rural Operations

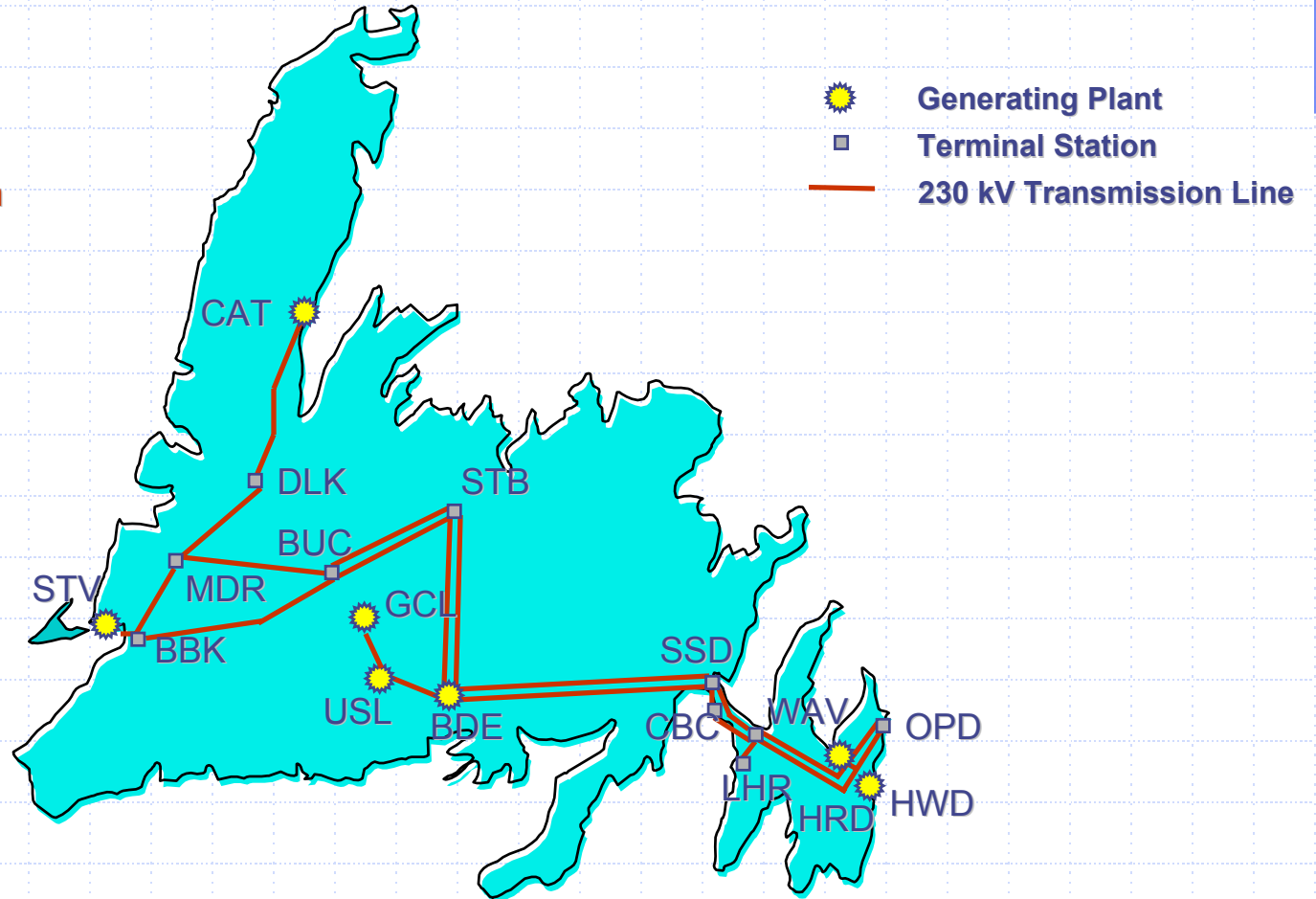


System Map



System Map

Distances
230 kV 1500 km

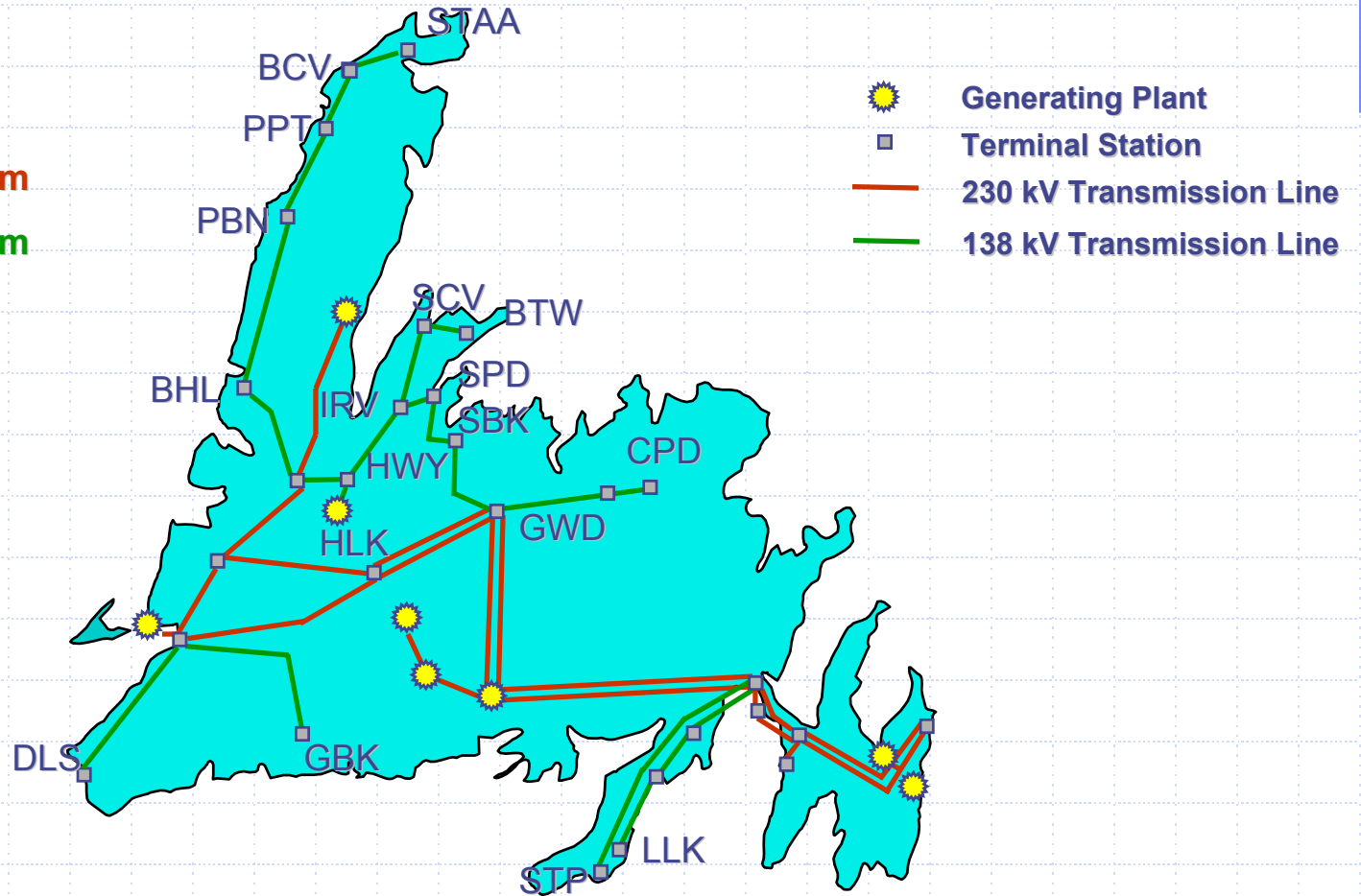


System Map

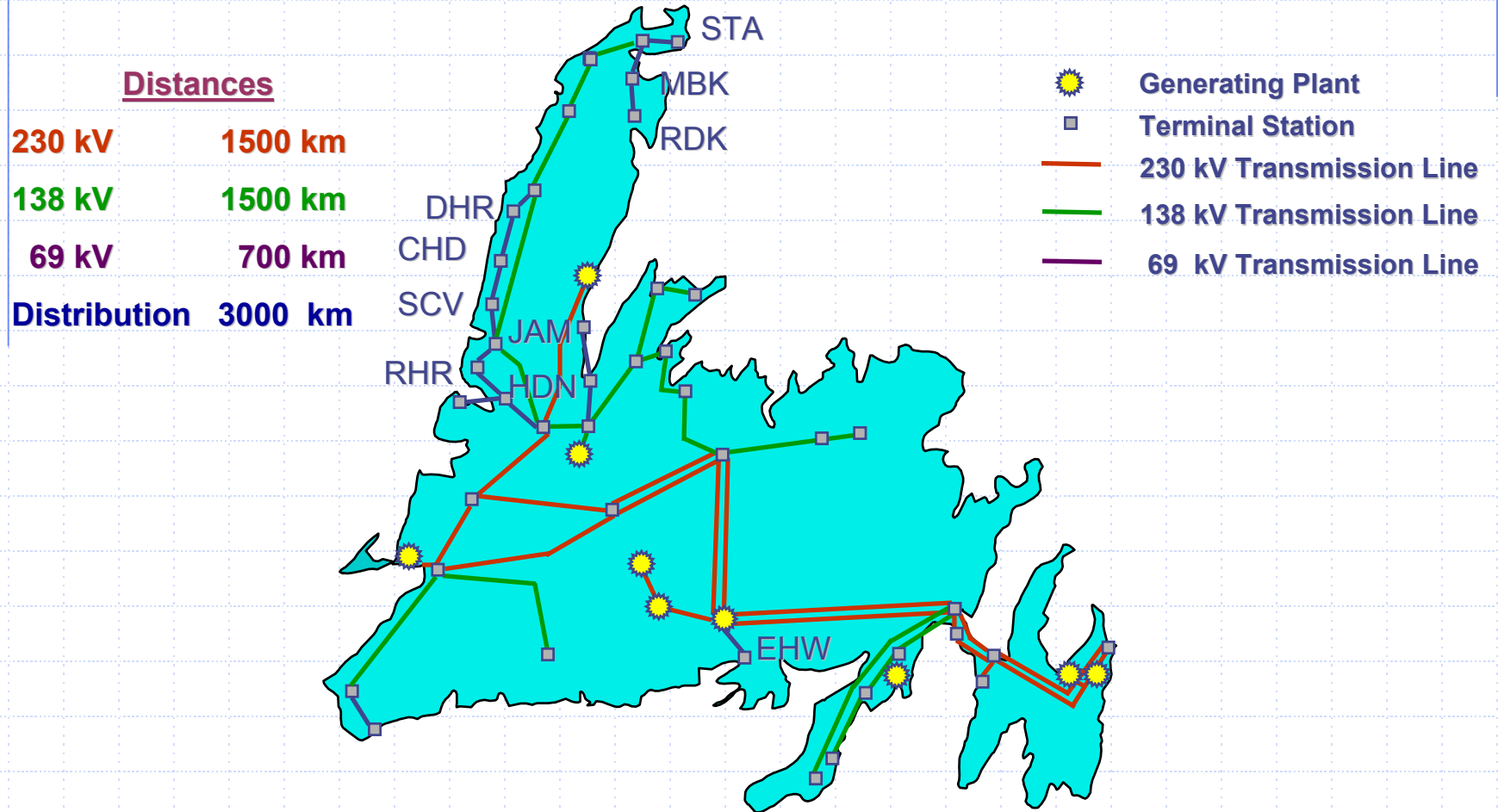
Distances

230 kV 1500 km

138 kV 1500 km

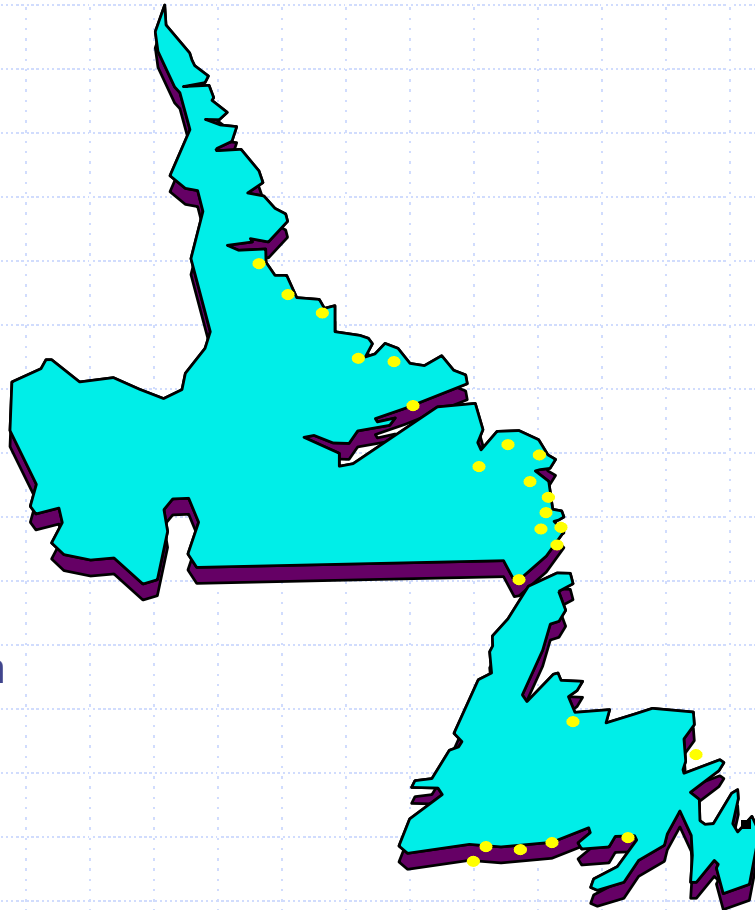


System Map



Isolated Diesel Plants

Black Tickle
Cartwright
Charlottetown
Davis Inlet
Hopedale
L'Anse au Loup
Makkovik
Mary's Harbour
Nain
Norman Bay
Paradise River
Port Hope Simpson
Postville
Rigolet
St. Lewis
Williams Harbour



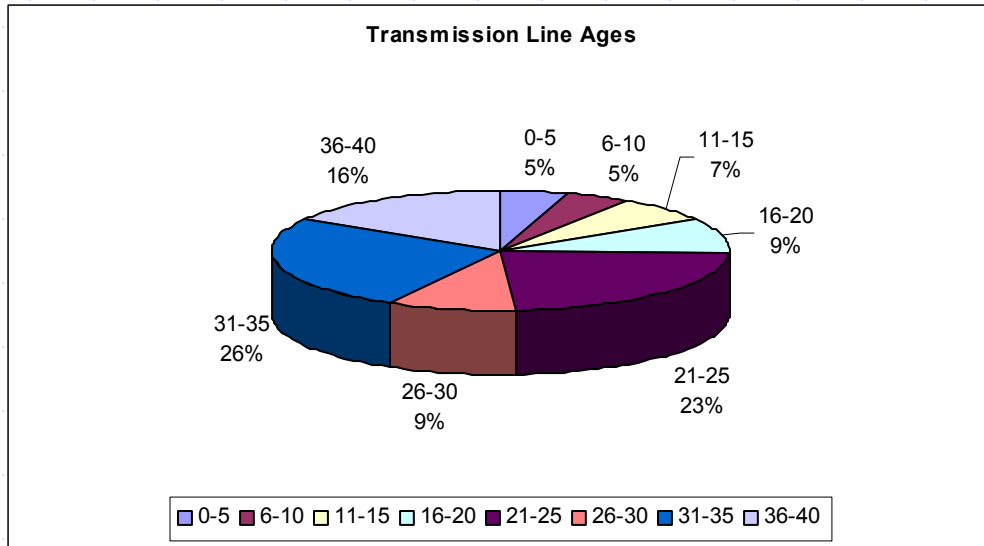
 Diesel Plant

Francois
Grey River
Little Bay Islands
McCallum
Ramea
Rencontre East
St Brendan's

Wood Pole Line Management Program

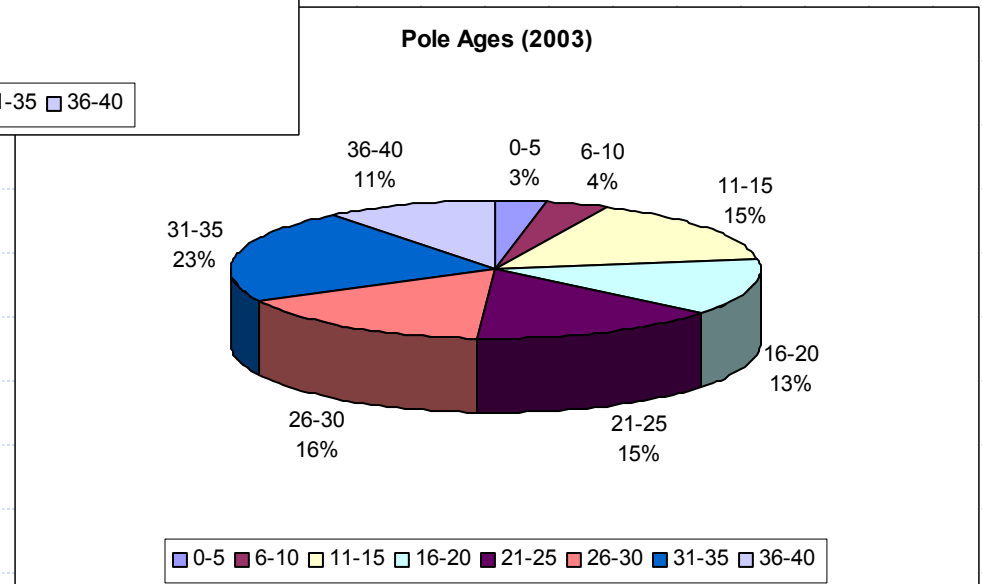


Transmission Line and Pole Age Data



Wood Pole Lines

- 43 lines
- 2500 km
- 26,000 poles



Historical Maintenance Practices

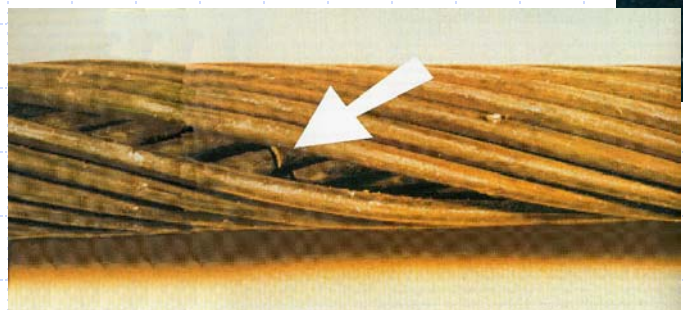
- Time Based program primarily visual in nature
- Helicopter Patrols – Typically 4 times per year
- Climbing Inspections – 5 year interval (20% per line per year)
- Snowmobile Patrols – only in the winter months



Previous Pole Inspections

Region	Year	Poles Inspected	Pole Rejections	Replacement Cost
Avalon	1985	1270	0	None required
Avalon	1998	1500	79	\$600,000
Central	2000	1500	82	\$420,000
TL 220	2002	273	27	Currently under analysis
Island Wide	2003	1943	133	Currently under analysis

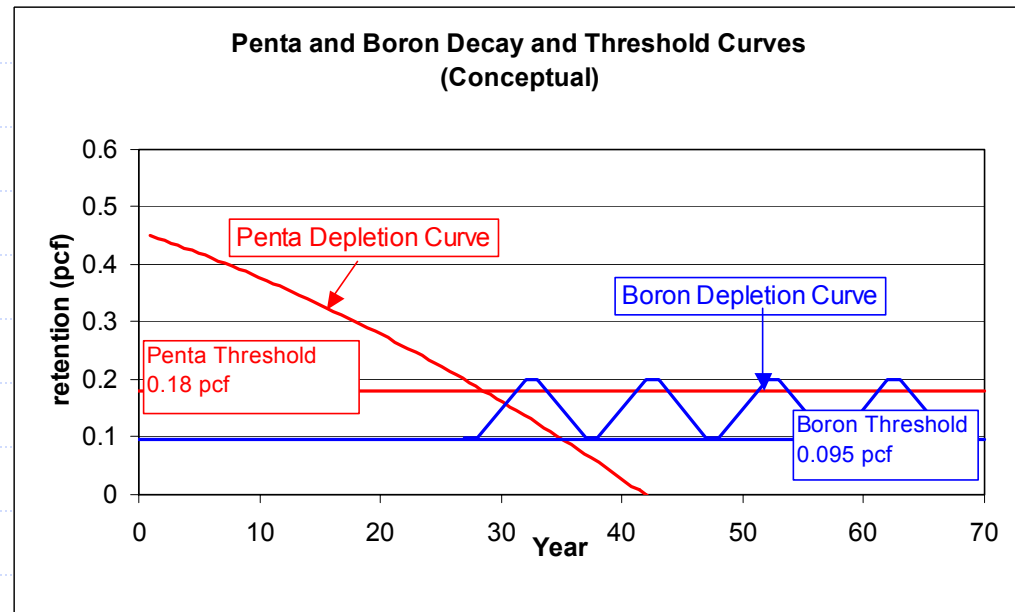
Inspection Results



Inspection Results



- Preservative Retention Levels
 - 1985 – very small percentage below effective level (Avalon Peninsula)
 - 1998 – 48% below effective level (Avalon Peninsula)



Inspection Results

- Wood Pole Strength
 - Full scale tests show 35 year old poles have lost approximately 25% of their original strength

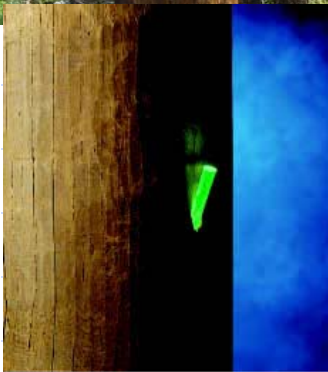




Improved Wood Pole Line Management Program

- Variable 10-year inspection cycle – condition based
- Schedule revised annually based on results
- Improved inspection techniques
- Includes external and internal inspection (sounding/ boring), treatment and non-destructive evaluation (NDE)
- Analysis of data prior to replacement
- Establish a Transmission Asset database
- Effective coordination of line maintenance

New Inspection Techniques





Program Objectives

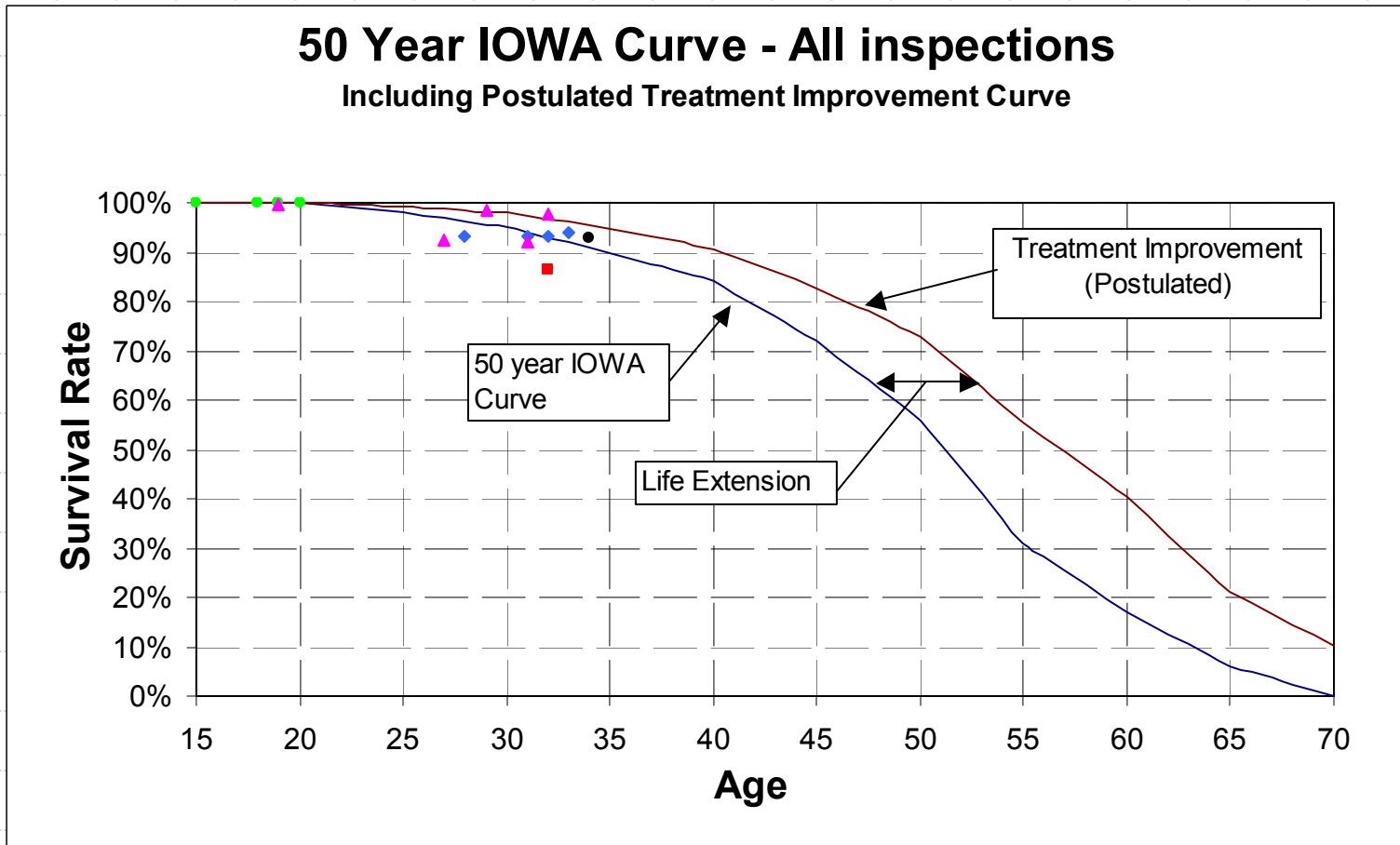
- 4000 poles inspected per year, decreasing to 1600 by the end of the first 10-year cycle
- All poles inspected and NDE tested
- Poles over 20 years old will be treated
- 10% cored for preservative retention analysis



Program Objectives (cont'd)

- Rejection rate based on condition and structural analysis
- Rejected equipment to be replaced in subsequent year
- Annual Public Utilities Board update on results and effectiveness of the program

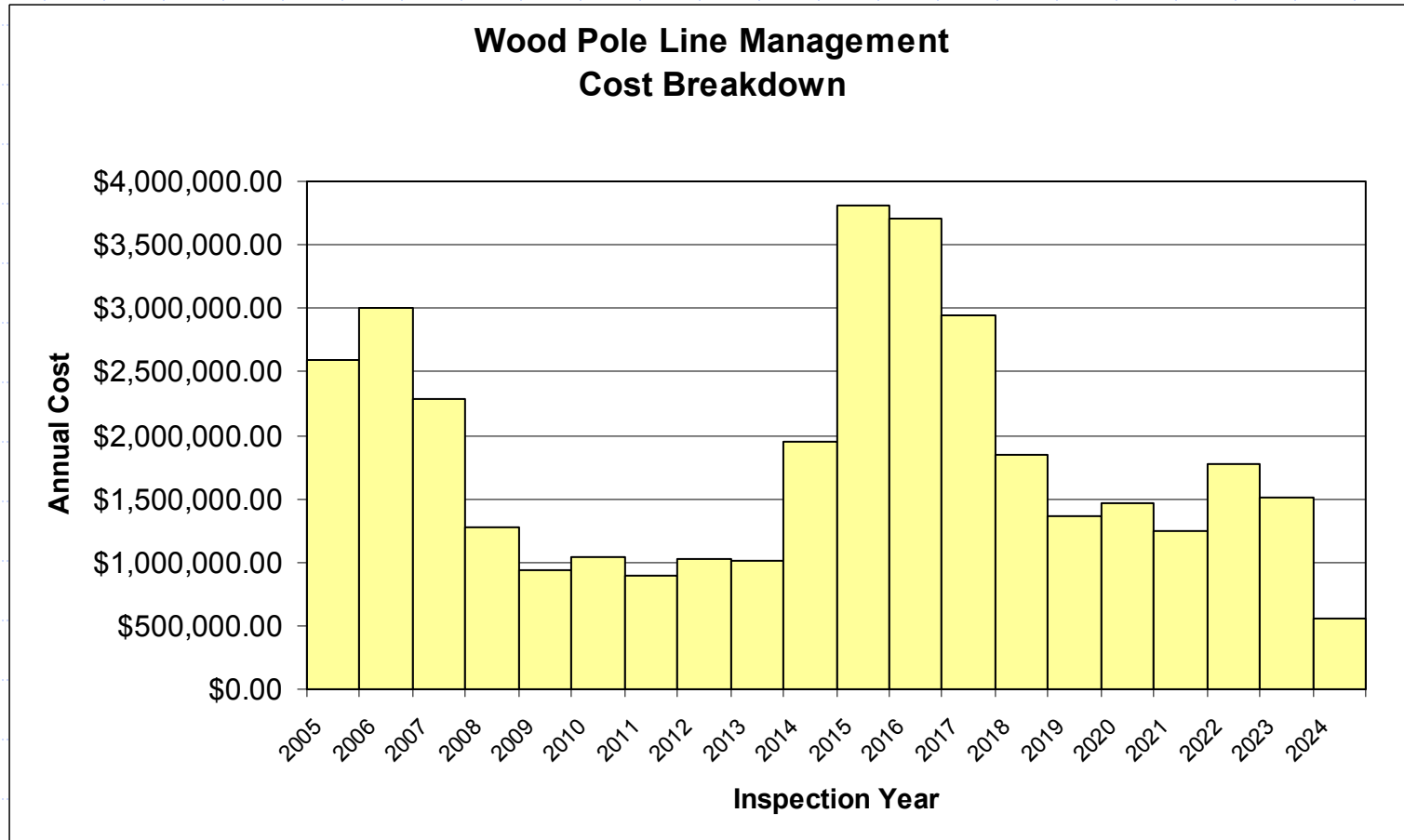
Iowa Curve



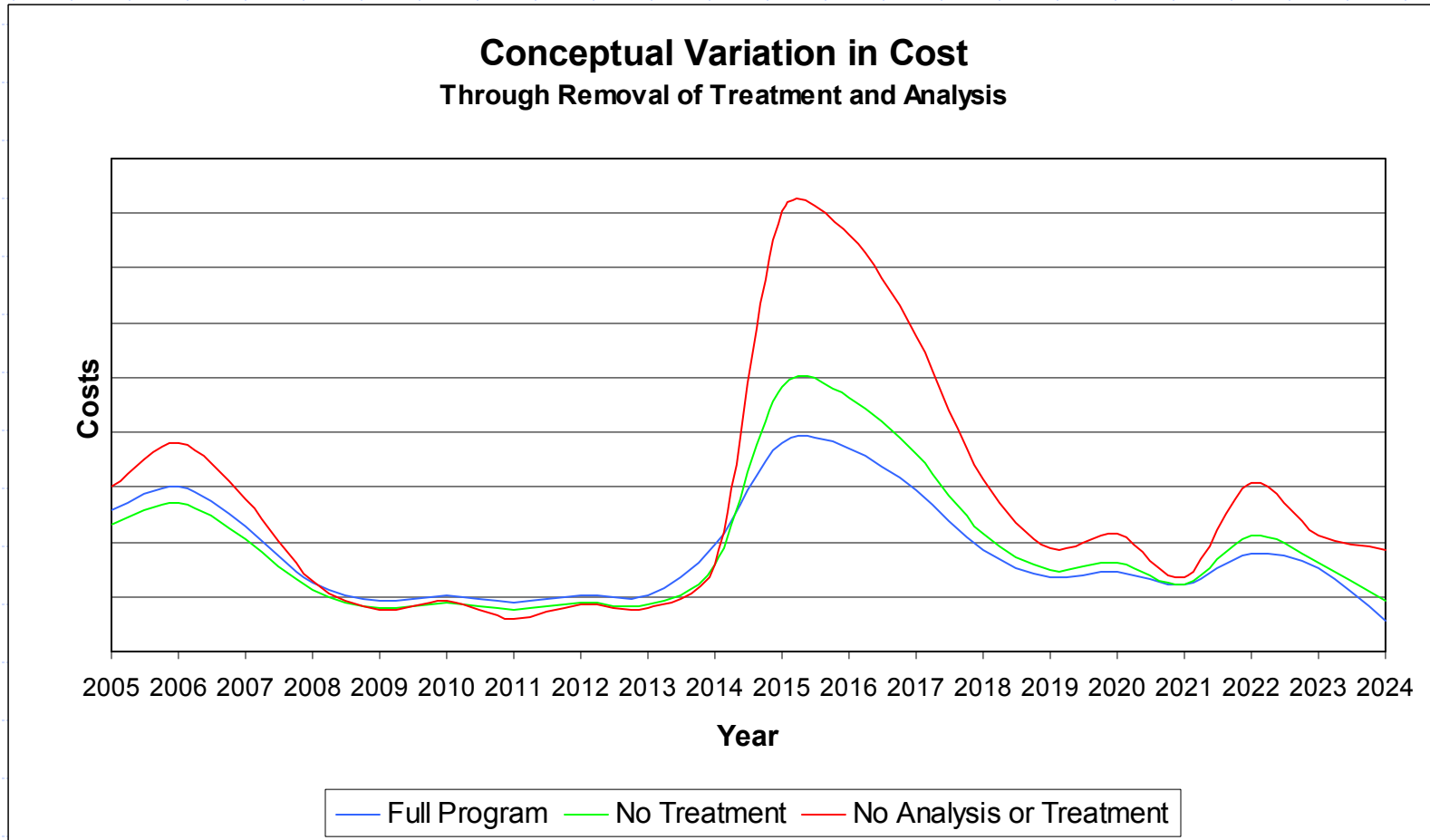
Estimated Program Costs

- Cost benefit analysis provides an anticipated savings of \$4.5M over the next 20 years due to treatment application only
- Required Budget of \$36M over next 20 years

Estimated Program Costs



Conceptual Cost Variance



Conclusions

- Assist in long-term planning of the high voltage transmission network
- Provide a more reliable transmission system
- Extend transmission line life by a minimum of 10 years
- Result in significant cost savings to the ratepayers

Rencontre East

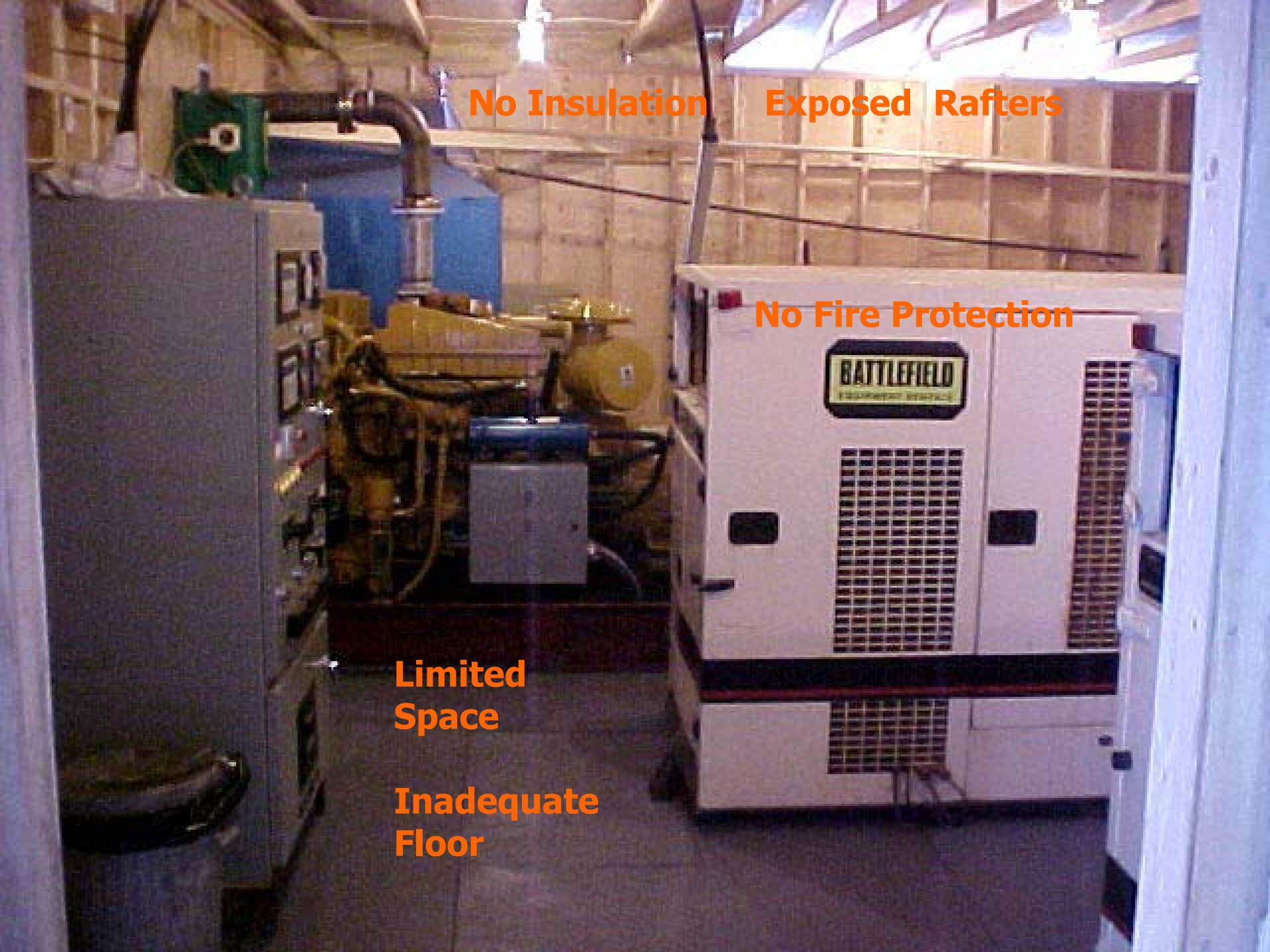
No Insulation

Exposed Rafters

No Fire Protection

**Limited
Space**

**Inadequate
Floor**



Inadequate Stack Height



Units protrude through the end of the building