

In reference to Schedule “B”, page 60 of 82 – Allowance for Unforeseen Items, project cost of \$750,000:

Q. Please provide what systems are in place to examine deteriorated or damaged equipment and to rate the same.

A. Newfoundland Power uses a variety of electrical equipment inspections as the primary means of identifying deteriorated or damaged equipment. Examples of such inspection systems include: annual transmission line inspections; monthly inspections for each substation, telecommunications site and generating plant; climbing inspections of radio towers every three years; and inspections at varying frequencies for vehicles, depending on their type of usage.

When deficiencies are identified in electrical equipment, there is an assessment as to the seriousness of the deterioration and its potential impact on employee and public safety, reliability of service, the environment, conformance with accepted standards and the costs required to rehabilitate the equipment. Depending on the impacts identified from the assessment, and using sound engineering judgement, a determination is made as to the priority of projects to be completed.