

1 **Q. In reference to P.U.B 14.2 – Storms, please advise if the Company has any insurance**
2 **in place relative to storms. If there is no insurance, when did the Company**
3 **discontinue that practice? What is the practice in the industry in Canada in**
4 **relation to insurance for storms? What programs do the Provincial and Federal**
5 **Governments have to repair storm damage?**

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7 A. Newfoundland Power has a Property Insurance policy which covers property of every
8 description against all risks of direct physical loss or damage.
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10 Since 1994 and up to July 1, 2002, Newfoundland Power's property insurance
11 specifically excluded coverage on its transmission and distribution lines due to such
12 coverage either not being available at all or not being available at an economically
13 feasible cost.
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15 During negotiations for the July 1, 2002 to July 1, 2003 renewal, the insurer with which
16 the policy was eventually placed to provided limited coverage on the Company's
17 transmission and distribution lines at no additional premium. Coverage is currently
18 provided with a limit of \$500,000 per occurrence with a \$200,000 deductible. .
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20 Current practice in the Canadian electric utility industry is not to maintain coverage on
21 transmission and distribution lines. Coverage is either not available at all, cannot be
22 obtained with meaningful limits, and/or is too cost prohibitive.
23

24 To the best of the Company's knowledge, government assistance for storm related
25 damages to transmission and distribution lines is not currently available.