

Distribution Reliability Initiative, Volume III, Distribution - Appendix 3, Attachment B, pages 1- 2 (\$949,000)

Q. How does Newfoundland Power set its overall budget for reliability improvements?

A. Based on the 2003 Corporate Distribution Reliability Review, a copy of which is contained in the Company's response to Request For Information NLH-56 NP, the Company has identified a number of distribution feeders that are important to upgrade in the coming years. The number of specific reliability projects included in the capital budget in a given year will vary depending on the priority of each project relative to all projects that are considered in the capital budgeting process as outlined in NLH-01 NP.