Page 1 of 1

1 Q. Does Newfoundland Power invest in rust protection for any of its vehicles either at 2 the time of sale or after market? If so, what is Newfoundland Power's policy 3 pertaining to same and if not, why not? 4 5 A. Newfoundland Power does not invest in rust protection for its vehicles and does not have 6 a rust proofing policy. 7 8 It has been Newfoundland Power's experience that the Company's vehicles do not get 9 replaced due to deterioration associated with rust. 10 11 The Company's approach to rust protection has been to address vehicle rust through maintenance. The maintenance costs directly attributable to rust are minimal. An 12 13 evaluation of these costs, relative to the cost of rust proofing the Company's entire fleet of vehicles, indicates that the cost of rust proofing protection would likely exceed the 14 maintenance costs directly attributable to rust damage. 15 16 17 Newfoundland Power's practice in this area appears consistent with other jurisdictions. The Company conducted a survey of a variety of Canadian utilities to determine best 18 19 practices for rust protection. The results indicate that only 1 of the 9 respondents 20 surveyed applies rust proofing protection to its vehicles.