

Q. Schedule B, Page 61 of 98
Tools and Equipment (Pooled) - \$682,000

Please explain why the load cell is being used more frequently than in the past.

- A. A load cell is used in conjunction with mobile generation to serve single or 2-phase loads from 3-phase mobile generators. The load cell is being used more frequently than in the past because the Company's mobile generation is being used more frequently in order to reduce the duration of customer outages during planned work on distribution feeders.

Over the 9-year period from 2006 to 2014, the Company has incurred approximately \$202,000 in equipment rental costs associated with the use of a load cell.¹ Table 1 shows the Company's annual load cell rental costs from 2006 to 2014.

Table 1
Newfoundland Power's Load
Cell Rental Costs
2006 – 2014

Year	Rental Cost/Year (\$)
2006	50,000
2007	-
2008	30,000
2009	-
2010	-
2011	-
2012	60,000
2013	28,000
2014	34,000
Total	\$202,000

Over the 6-year period from 2006 to 2011, a load cell was rented on 3 occasions at a total cost of approximately \$80,000. In the most recent 3-year period from 2012 to 2014, a load cell was rented on 5 occasions at a total cost of approximately \$122,000.

¹ In addition to the \$202,000 in equipment rental cost, the Company also incurred an additional \$42,000 in engineering services from the rental company. Engineering services supplied by the rental company included setup and removal costs of the load cell.

- 1 The estimated cost for the purchase of a new load cell and associated transformer is
- 2 \$150,000. With the more frequent use of the load cell and the cost associated with the
- 3 rental of the equipment versus the estimated cost to purchase, it makes economic sense to
- 4 purchase a load cell and associated transformer at this time.