

1 Q. **B-24, Upgrade Line 2 Distribution Feeder, 2010 - \$267,300, 2011 - \$578,200,**
2 **Beyond - \$2,711,200**

3 Since this project involves the future removal of the existing line, why has NLH not
4 also applied, at this time, for the approval of the future abandonment of this plant?

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7 A. The existing distribution line is not being abandoned and, therefore, there is no
8 requirement to seek approval of such action under section 38 of the *Public Utilities*
9 Act. That section reads as follows:

10

11 *Abandonment*

12 *38. A public utility shall not abandon a part of its line, or works, after*
13 *they have been operated, or discontinue a service without notice to*
14 *the board, and without the written consent of the board, which*
15 *consent shall only be given after notice to an incorporated municipal*
16 *body interested, and after there has been an inquiry.*

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18 In this instance, the total length of this distribution line is approximately 24 km,
19 some sections of which have been upgraded in recent years. The portions being
20 rebuilt under the proposed project comprise the remaining 18.5 km that have
21 deteriorated to the point where replacement of the structures and the other
22 components of the line are required.

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24 Replacements or renewals of deteriorating sections of distribution lines, or whole
25 distribution lines, are a regular and normal activity for electrical utilities in providing
26 reliable service to their customers. In Hydro's view, where a distribution line

1 requires replacement because it has come to the end of its useful life and it is being
2 replaced by distribution line plant that will be performing the same function, the
3 discarding of the deteriorated distribution line plant does not constitute an
4 abandonment of part of its line and therefore does not trigger the approval
5 requirements of Section 38 of the Act.