

1 Q. 2013 Wood Pole Line Management (WPLM), Appendix B. At page B8, Hydro
2 presents its ratio of average annual maintenance cost over replacement asset value
3 as 0.32.

4 (a) From what period of years has this ratio of 0.32 been calculated?

5

6 (b) Provide the same ratio, annually, for each year for the period 1993 to 2011.

7

8 (c) Has the annual capital cost of the WPLM program, since 2005, been included
9 in the “annual maintenance cost” factor used to calculate this ratio? If not,
10 then recalculate and present the ratio for each year in the period 2005-2011,
11 by including the respective annual capital cost of the WPLM program in the
12 “annual maintenance cost” for that year.

13

14 A. (a) The 0.32 ratio was calculated over the period 1966 to 2012. The calculation
15 was performed based on the maintenance cost of two Avalon Peninsula lines
16 until 2012. These lines were commissioned in 1966. The annual maintenance
17 cost was obtained by dividing the total maintenance cost by the number of
18 years these lines are in service (46 years). The replacement cost of the asset
19 was estimated based on the estimated line replacement cost in 2012 dollars.
20 This ratio was not calculated separately on a year by year basis.

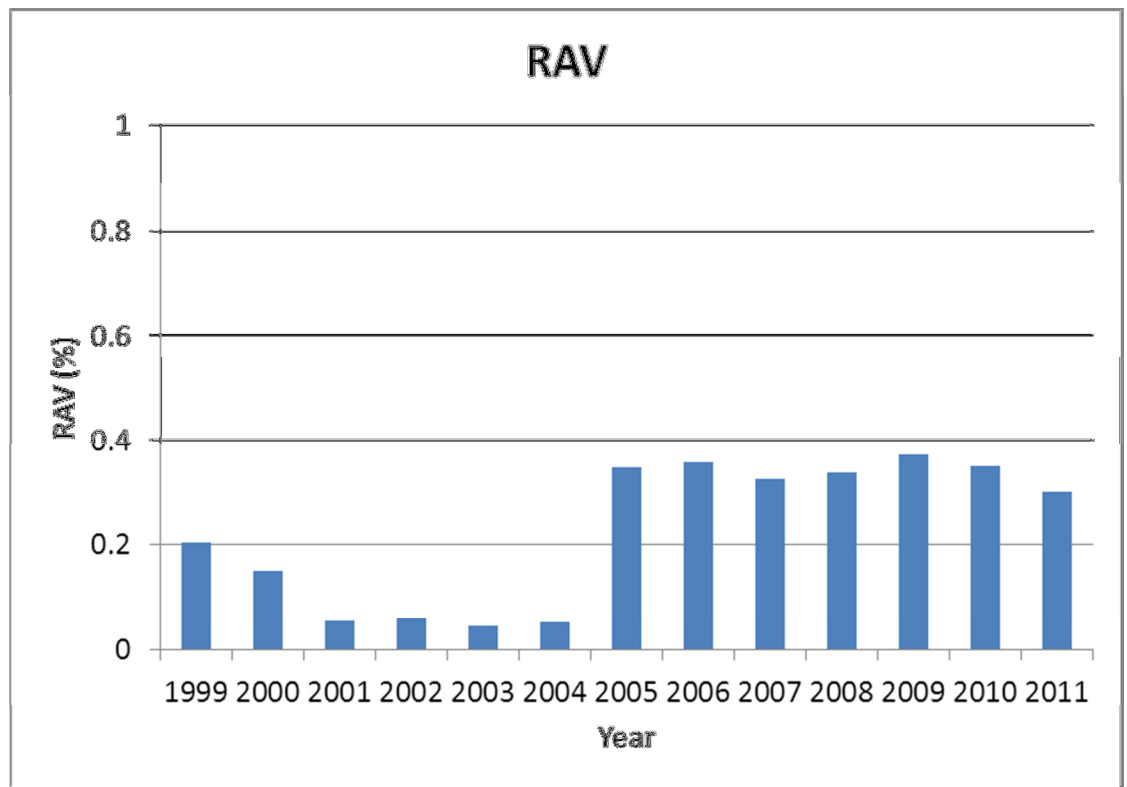
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22 (b) Preventative maintenance (PM) costs from 1993 to 1999 are not separately
23 identifiable in Hydro’s records.

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25 However, Hydro has completed the replacement asset value (RAV) ratio
26 calculation for its entire wood pole transmission line plant for the period from

1 1999 to 2011. First, the replacement cost of the entire pole plant asset was
2 estimated based on a weighted cost of lines at all voltage levels (69 kV, 138 kV
3 and 230 kV). The annual cost of maintenance is available from the WPLM
4 database since 2005. These costs are used to calculate the ratio of annual
5 maintenance cost to RAV¹ for each year and are presented in the chart below.



6 (c) Yes, the annual capital cost of the WPLM program has been included in the
7 “annual maintenance cost” factor used to calculate the annual ratio.

¹ The calculated RAV for the period from 1999 to 2004 is based upon data which may not be entirely comparable to the data for subsequent years, due to the record keeping rigour and consistency introduced with the implementation of the WPLM program.