

1 **Q. What is the scheduled completion date of the assessment of Newfoundland Power's**
2 **distribution pole replacement practices?**

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4 A. Newfoundland Power has not yet scheduled a completion date for this assessment.

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6 As is indicated at page 16 of the 2013 Capital Plan, Newfoundland Power considers
7 current levels of service reliability to be satisfactory. Further, the Company considers
8 that current capital and maintenance levels should be adequate in the *short-term* to
9 maintain those levels of reliability.

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11 As indicated at page 1 of the 2013 Capital Plan, this assessment is aimed at determining
12 the *long-term* adequacy of its distribution pole replacement practices and whether current
13 practices present a risk to long-term capital expenditure stability.¹ Simply put, the
14 Company is mindful that current levels of pole replacement might result in materially
15 increased future expenditures which could, in turn, increase future costs and customer
16 rates. The Company is not certain of the extent, if any, to which such a hazard might
17 exist.

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19 Given the Company's view of reliability in the short-term, a firm completion date for the
20 assessment of the long-term adequacy of distribution pole replacement practices has not
21 been established. It is anticipated that the assessment will be completed during the
22 current 5-year forecast.

¹ In Order No. P.U. 36 (2002/2003) the Board expressed its belief that more stable and predictable year over year capital budgets is a desirable objective which will assist in fostering stable and predictable rates for consumers into the future.