

1 **Q. [Account 378.2] – Please state if the Company has a specific policy addressing when**
2 **it retires vehicles in Account 378.2. Further, provide such policy.**

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4 A. Newfoundland Power individually evaluates all vehicles that are being considered for
5 replacement according to a number of criteria to ensure replacement is the least cost
6 option.

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8 Evaluation for replacement is initiated when individual vehicles reach a threshold age or
9 level of usage. Heavy fleet vehicles are considered for replacement at 10 years of age or
10 usage of 250,000 kilometres. For passenger vehicles, the threshold is five years of age or
11 150,000 kilometres.

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13 Vehicles reaching the threshold are evaluated on a number of criteria, such as overall
14 condition, maintenance history and immediate repair requirements, to determine whether
15 they have reached the end of their useful service lives. Based on such evaluations, a
16 determination is made as to whether a unit has reached the end of its useful life.