

1 **Q. [Net Salvage] – Please provide all analyses performed as well as documentation and**
2 **information which supports the claim on page 29 of Mr. Wiedmayer’s rebuttal**
3 **testimony that the Company does not expect to make wholesale replacement of**
4 **services. Further, specifically identify what wholesale replacement implies on an**
5 **annual basis.**

6
7 A. Wholesale replacement implies a planned program to replace a type or model of
8 equipment to address reliability, safety or environmental issues related to plant in service.
9 This wholesale replacement would typically take place over a number of years when
10 associated with mass property groups like poles, services or streetlights.

11
12 An example of a wholesale replacement of utility assets would be the replacement of 2-
13 piece and CP8080 insulators. In the 1990s, the utility industry identified 2-piece and
14 CP8080 insulators as having reliability and safety issues. Newfoundland Power initiated
15 an insulator replacement program for both transmission and distribution lines to address
16 these issues.¹

17
18 At present there are no reliability, safety or environmental issues associated with
19 overhead services that would require Newfoundland Power to consider a planned
20 wholesale replacement program.

¹ In 2003, Newfoundland Power filed an update on the planned replacement of all 2-piece and CP8080 insulators as part of its 2004 capital budget application. See the *2004 Capital Budget Application, Volume III, Distribution, Appendix 2, Attachment C*.