Q. Reference: Response to Request for Information NP-NLH-006.

Given that the Renew Distribution Feeders program is typically classified as a Renewal investment, please explain Hydro's rationale for placing the Upgrade Worst-Performing Distribution Feeders program within the Service Enhancement investment classification.

A. The Upgrade Worst-Performing Distribution Feeders (2025–2027) Program is required to address deficiencies on distribution feeders that perform significantly worse than Newfoundland and Labrador Hydro's ("Hydro") average. Since the introduction of the investment classification through the provisional Capital Budget Application ("CBA") Guidelines, the program has been placed within the Service Enhancement investment classification due to its benefits to system reliability and efficiency. In 2025, the program identified the English Harbour West Line 1 feeder for refurbishment.

The Renew Distribution Feeders Program is a condition-based asset renewal program, which aims to proactively address feeders that have been evaluated as having a significant portion of deteriorated components before reliability is significantly impacted. The program was first initiated in Hydro's 2024 CBA, complementary to the Worst-Performing Feeders Program, and is anticipated to resume in subsequent CBAs.

¹ "Capital Budget Application Guidelines (Provisional)," Board of Commissioners of Public Utilities, January 2022.