

- 1 **Q.** (Reference Application Schedule B, Memorial Substation Refurbishment and
 2 **Modernization, page 69) It is stated "The Memorial Substation Refurbishment**
 3 **and Modernization project will mitigate risks to the delivery of reliable service**
 4 **to the Company's largest customer."**
 5 **a) Please confirm that this statement is not based on a quantified analysis of**
 6 **the risk of deferring this project until 2026 relative to carrying out the**
 7 **project in 2024 because NP is unable to quantify risk.**
 8 **b) Is the risk assessment in Table 2 relevant to this point in time, or 2024 when**
 9 **the project is completed, or some other time frame?**
 10 **c) The risk assessment in Table 2 indicates that the consequence of failure is**
 11 **"serious (4)". Has the consequence of failure changed in the past 3 years?**
 12 **Is the consequence of failure likely to change over the next 3 years?**
 13 **d) The risk assessment in Table 2 indicates that the probability of failure is**
 14 **"likely (4)". Had the assessment been undertaken 3 years ago would the**
 15 **probability of failure have been ranked "likely"? Three years from now**
 16 **would the probability of failure continue to be ranked "likely" if substation**
 17 **maintenance continues and any failures that arise are addressed under**
 18 **programs designed to address in-service failures?**
 19 **e) Please provide the number and duration of service interruptions to**
 20 **Memorial University caused by failures at the Memorial Substation from**
 21 **2000 to date.**
 22
 23 **A.** a) This statement is based on the Risk Matrix Methodology, as outlined in the *2024*
 24 *Capital Budget Overview*.¹ The risk matrix was used to evaluate the potential
 25 consequences of not completing the *Memorial Substation Refurbishment and*
 26 *Modernization* project, and the probability of those consequences occurring if the
 27 project did not proceed.
 28
 29 b) The risk assessment in Table 2 is relevant to the point in time when the condition
 30 assessment was completed.
 31
 32 c) See the response to Request for Information CA-NP-045 for a discussion on the
 33 consequence of failure of MUN Substation.
 34
 35 d) Generally, the probability of failure changes over time.² The *Substation*
 36 *Replacements Due to In-Service Failures* program would only address failed
 37 equipment or equipment at imminent risk of failure, and would not address all
 38 deteriorated and obsolete equipment identified at Memorial Substation. Therefore,
 39 the probability of failure would likely continue to be ranked "likely" over time.
 40
 41 e) There were no service interruptions to Memorial University caused by equipment
 42 failures at MUN Substation.

¹ See Newfoundland Power's *2024 Capital Budget Application, 2024 Capital Budget Overview, Appendix C.*

² See the response to Request for Information CA-NP-045.