

1 Q. (Reference Application) On April 21, 2023, NL Hydro filed with the Board a
2 report entitled "Wood Pole Line Management Program – Progress Report". The
3 report concludes (page 12)

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5 *"Hydro's WPLM Program is achieving the goals of increasing reliability,*
6 *extending asset life, reducing Hydro's environmental footprint and reducing*
7 *total cost of ownership. Hydro is projecting an average life extension of its*
8 *transmission wood pole plant of at least 17 years beyond the benchmark Iowa-*
9 *50 survival curve. Hydro's WPLM Program is well aligned with best practices*
10 *used in the industry. Hydro's assessment demonstrates that the cost of the*
11 *WPLM Program is well justified by cost avoidance savings through reduced in-*
12 *service failures and reduced unplanned repair costs, as well as reliability*
13 *improvements and life extension of existing pole plant assets. In addition, the*
14 *program has been effective in preventing the premature retirement of viable*
15 *components which still have continued life expectancy."*

16
17 On June 28, 2023 NP filed with the Board comments on NL Hydro's report. NP
18 states that it has "initiated discussions with Hydro and has further meetings
19 planned with Hydro's technical and engineering staff to better understand the
20 potential benefits of a chemical re-treatment program for Newfoundland
21 Power's transmission line wood poles." NP goes on to identify examples of the
22 types of information it will be seeking from Hydro and states:

23
24 *"Newfoundland Power is currently undertaking a review of its asset*
25 *management practices to ensure its practices continue to be adequate, given*
26 *the age of its electrical system, and remain consistent with industry best*
27 *practice. This review will include an assessment of the Company's transmission*
28 *line asset management practices including its capital investment and*
29 *maintenance programs. The potential implementation of a wood pole chemical*
30 *re-treatment program for the Company's transmission assets would be*
31 *considered in the full context of the lifecycle management of the Company's*
32 *transmission assets. The review will also ensure any changes to the Company's*
33 *transmission line asset management practices are consistent with utility best*
34 *practice."*

- 35
36 a) Please confirm that NP is not in favour of implementing a wood pole line
37 management program similar to that of Hydro before completion of its
38 asset management review.
- 39 b) Are initial components of NP's new asset management plan expected to
40 be implemented in 2025 or later?
- 41 c) If it has not already gained the information from Hydro outlined in the
42 June 28, 2023 letter, please indicate how long NP expects it will take to
43 get the information; i.e., hours, days, months, years?
- 44 d) Please indicate how long NP has been monitoring Hydro's wood pole line
45 management program and when NP became aware of the potential
46 benefits.

1 e) **Please identify NP capital and maintenance projects/programs that**
2 **might be impacted by the introduction of a wood pole line management**
3 **program similar to Hydro's.**
4

- 5 A. a) Implementing a wood pole line management program similar to that of
6 Newfoundland and Labrador Hydro ("Hydro") before completion of the ongoing
7 asset management review would not be prudent. Newfoundland Power is
8 currently undertaking a review of its asset management practices to ensure its
9 practices continue to be adequate, given the age of its electrical system, and
10 remain consistent with industry best practice. This review will include an
11 assessment of the Company's transmission line asset management practices
12 including its capital investment and maintenance programs. The potential
13 implementation of a wood pole chemical re-treatment program for the
14 Company's transmission assets should be considered in the full context of the
15 lifecycle management of the Company's transmission assets. The review will
16 also ensure any changes to the Company's transmission line asset management
17 practices are consistent with utility best practice.
18

19 Newfoundland Power will provide an update on the status of the asset
20 management review as part of its *2025 Capital Budget Application*. Any changes
21 to Newfoundland Power's transmission line asset management practices resulting
22 from the review will be included as part of a future capital budget application.
23

- 24 b) Newfoundland Power notes that its asset management review is a long-term
25 initiative. The timelines associated with implementing any resulting
26 recommendations will depend on the recommendations identified and may
27 required a phased approach over several years. Results from the review are not
28 yet available to determine if any changes in asset management practices may be
29 incorporated into the 2025 capital budget process.
30

31 However, the replacement of the Company's existing asset management
32 technology is expected to require a two-year capital project. Newfoundland
33 Power anticipates a capital project for the system's replacement will be required
34 no later than its *2025 Capital Budget Application*. For more information on the
35 asset management technology, see the response to Request for Information
36 PUB-NP-016, Attachment A.
37

- 38 c) Newfoundland Power has initiated discussions with Hydro and has further
39 meetings planned with Hydro's technical and engineering staff to better
40 understand its wood pole management program and the potential benefits of a
41 chemical re-treatment program for the Company's transmission line wood poles.
42 At this time, Newfoundland Power is unable to indicate the duration of this
43 technical assessment.
44

- 45 d) As part of its *2020 Capital Budget Application*, Newfoundland Power
46 acknowledged that many utilities have test and treat programs for transmission
47 line assets. At that time, Newfoundland Power submitted that it would be

1 prudent to wait for the results of Hydro's program before determining whether a
2 wood pole test and treatment program is warranted for its transmission lines.
3 On April 21, 2023 Hydro filed its *Wood Pole Line Management Program Progress*
4 *Report (2018-2022)*. On June 28, 2023 Newfoundland Power filed with the
5 Board comments on Hydro's report.

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7 e) See part a).