

- 1 **Q. (Reference Application) In the 2025-2029 Capital Plan it is stated (page 2)**  
 2 **"Newfoundland Power's investment priorities and five-year capital plan**  
 3 **reflect the capital expenditures necessary to meet its statutory obligations**  
 4 **under the Public Utilities Act and Electrical Power Control Act, 1994." The**  
 5 **2025 Capital Budget Overview (page 2) states "The Electrical Power Control**  
 6 **Act, 1994 contains the provincial power policy, which requires that power be**  
 7 **delivered to customers at the lowest possible cost, in an environmentally**  
 8 **responsible manner, consistent with reliable service."**
- 9 **a) If the Board were to order any amount less than the amounts requested in**  
 10 **the 2025 CBA, would NP be able to meet its statutory obligations under**  
 11 **the provincial legislation?**
- 12 **b) What is NP's mandate?**
- 13 **c) Please provide NP's definition of "reliable service" and all reliability**  
 14 **criteria used to define "reliable service".**
- 15 **d) Please provide NP's definition of "environmentally responsible manner".**
- 16 **e) Please cite references in the 2025 CBA supporting the requirement that**  
 17 **projects and programs will be undertaken in an environmentally**  
 18 **responsible manner.**
- 19 **f) Specifically, how does NP incorporate the requirement that service be**  
 20 **provided in an environmentally responsible manner? Does NP meet only**  
 21 **legislated requirements relating to the environment or does it go beyond**  
 22 **legislated requirements, and if so, what parameters and criterion are used**  
 23 **to determine how far NP should go beyond legislated requirements?**  
 24 **Please cite examples in the 2025 CBA.**
- 25
- 26 **A.** a) All projects and associated costs included in the Company's *2025 Capital Budget*  
 27 *Application* are necessary to meet its statutory requirements under the *Public*  
 28 *Utilities Act* and *Electrical Power Control Act, 1994* (the "EPCA").
- 29
- 30 b) Newfoundland Power notes that this Request for Information ("RFI") is identical to  
 31 part b) of RFI CA-NP-014 in relation to the Company's *2024 Capital Budget*  
 32 *Application*. See the response to RFI CA-NP-014 in relation to Newfoundland Power's  
 33 *2024 Capital Budget Application*.
- 34
- 35 c) Newfoundland Power notes that this RFI is identical to part c) of RFI CA-NP-014 in  
 36 relation to the Company's *2024 Capital Budget Application*. The concepts outlined in  
 37 that response continue to inform Newfoundland Power's management of system  
 38 reliability.
- 39
- 40 d) Newfoundland Power notes that this RFI is identical to part d) of RFI CA-NP-014 in  
 41 relation to the Company's *2024 Capital Budget Application*. Newfoundland Power  
 42 continues to expect that the appropriate regulatory definition will be built through  
 43 precedent established by Board orders. The Company is not in a position to  
 44 pre-determine what standard the Board might employ to establish whether a  
 45 particular capital project or program meets the statutory definition of  
 46 "environmentally responsible" as that term appears in the EPCA.

1 However, in interpreting the relevant section of the EPCA, it is reasonable to be  
2 informed by environmental standards that currently exist apart from the EPCA both  
3 in other statutes and elsewhere.  
4

5 Newfoundland Power considers sustainability and environmental stewardship in all of  
6 its practices. The Company currently maintains an environmental management  
7 system that conforms to the internationally recognized ISO 14001 standard, is  
8 compliant with all environmental legislation, and is verified by third party auditors.  
9 In addition, Newfoundland Power has been recognized as a Sustainable Electricity  
10 Leader™ by Electricity Canada which is based primarily on ISO 26000 guidance on  
11 social responsibility. For more information on the Company's commitment to  
12 delivering electrical service in an environmentally responsible manner see  
13 Newfoundland Power's Environmental Policy.<sup>1</sup>  
14

- 15 e) The projects proposed in the Company's *2025 Capital Budget Application* are  
16 planned to be implemented in an environmentally responsible manner. The following  
17 projects are examples of initiatives that provide environmental benefits and minimize  
18 environmental impacts.  
19

#### 20 *LED Street Lighting Replacement*

21

22 This project replaces high pressure sodium ("HPS") street lights with Light Emitting  
23 Diode ("LED") equivalents. There is an energy efficiency improvement associated  
24 with this project of approximately 60% for each fixture replaced over the legacy HPS  
25 lighting.<sup>2</sup> This will reduce the amount of energy required from Newfoundland and  
26 Labrador Hydro's ("Hydro") Holyrood Thermal Generating Station.  
27

#### 28 *Rebuild Distribution Lines and Reconstruction*

29

30 These programs form the preventative and corrective maintenance programs of  
31 Newfoundland Power's distribution system.<sup>3</sup> Distribution lines are inspected on a  
32 seven-year cycle in accordance with the Company's *Distribution Inspection and*  
33 *Maintenance Practices*. High-priority deficiencies are addressed under the  
34 *Reconstruction* program, while other deficiencies are addressed in a planned manner  
35 under the *Rebuild Distribution Lines* program. Inspections identify deteriorated  
36 equipment such as rusty distribution transformers, and vegetation which could come  
37 into contact with energized lines. Addressing these deficiencies mitigates risks to the  
38 environment resulting from deteriorated equipment such as the release of oil into  
39 the environment and potential wildfires.

---

<sup>1</sup> See Newfoundland Power. (n.d.) <https://www.newfoundlandpower.com/-/media/PDFs/About-Us/Environment/Environmental-Policy.pdf>

<sup>2</sup> See Newfoundland Power's *2025 Capital Budget Application, Schedule B*, page 3.

<sup>3</sup> For details on the *Reconstruction* program, see Newfoundland Power's *2025 Capital Budget Application, Schedule B*, pages 20-23. For details on the *Rebuild Distribution Lines* program, see Newfoundland Power's *2025 Capital Budget Application, Schedule B*, pages 24-28.

1                    *Substation Power Transformer Concrete Spill Containment Foundations*

2  
3                    Newfoundland Power's *2025 Capital Budget Application* includes the Summerville,  
4                    Northwest Brook and Lockston *Substation Refurbishment and Modernization*  
5                    projects.<sup>4</sup> The scopes of work for these three capital projects include the  
6                    construction of concrete spill containment foundations around the substations' power  
7                    transformers and voltage regulators. Power transformers and voltage regulators  
8                    contain large amounts of insulating oil. The construction of standard concrete spill  
9                    foundation mitigates the risk to the environment associated with oil spills. In  
10                    addition, spill containment reduces the surface area of oil spills and thus reduces the  
11                    risk of fire.

12                    *Lockston Substation Refurbishment and Modernization*

13  
14  
15                    The scope of work for this project includes the removal of power transformers  
16                    LOK-T1, LOK-T2 and LOK-T4. Transformer oil analysis indicates the presence of  
17                    polychlorinated biphenyls ("PCBs") in the insulating oil of each of these three  
18                    transformers. PCBs pose a long-term environmental risk and removal of PCBs from  
19                    service reduces the potential for environmental incidents at the Company's  
20                    substations. Any amount of PCBs above 2 parts-per-million ("ppm") is considered  
21                    hazardous. LOK-T1 has a main tank PCB contamination of 82 ppm and bushings that  
22                    range between 78 and 85 ppm based on oil analysis performed in 2021.<sup>5</sup>

- 23  
24                    f) As per Newfoundland Power's Environmental Policy, the Company meets required  
25                    legislative requirements and standards, while also managing activities to be  
26                    consistent with industry best practice.<sup>6</sup> See parts e) and d) of this response for  
27                    additional detail on how Newfoundland Power incorporates the requirement that  
28                    service be provided in an environmentally responsible manner.

29  
30                    There are cases where Newfoundland Power's projects exceed legislated minimum  
31                    environmental standards. Typically, these investments provide a range of benefits in  
32                    addition to minimizing environmental impacts.

33  
34                    Examples included in Newfoundland Power's *2025 Capital Budget Application* include  
35                    the *LED Street Lighting Replacement* and *Substation Refurbishment and*  
36                    *Modernization* projects. LED street lights lower overall costs for customers, while  
37                    reducing the amount of energy required from Hydro's Holyrood Thermal Generating  
38                    Station.<sup>7</sup> A spill containment foundation is being included in the Summerville  
39                    Substation, Northwest Brook and Lockston capital work.<sup>8</sup> The construction of  
40                    substation spill containment foundations to prevent or mitigate the environmental

<sup>4</sup> See Newfoundland Power's *2025 Capital Budget Application, Schedule B*, pages 51-62.

<sup>5</sup> See Newfoundland Power's *2025 Capital Budget Application, Report 2.1 2025 Substation Refurbishment and Modernization, Appendix C*, page 7.

<sup>6</sup> See Newfoundland Power. (n.d.) <https://www.newfoundlandpower.com/-/media/PDFs/About-Us/Environment/Environmental-Policy.pdf>

<sup>7</sup> See Newfoundland Power's *2025 Capital Budget Application, Schedule B*, pages 2-5.

<sup>8</sup> See Newfoundland Power's *2025 Capital Budget Application, Schedule B*, pages 51-62.

- 1 impacts of an oil release or spill is consistent with generally accepted sound public
- 2 utility practice. For additional information on spill containment, see response to
- 3 Request for Information CA-NP-115.