

1 **Q. (Reference Application, Asset Management Update Report, Figure 2) Is the**
2 **implementation plan placing higher priority on transmission and substations**
3 **than generation and distribution asset management? If so, why? Is cost a**
4 **consideration in the development of the implementation plan? If so, how has**
5 **cost been incorporated?**
6

7 A. The implementation planning phase of the asset management review is the final phase,
8 intended to guide the execution of opportunities identified in the target state
9 assessment. The implementation planning phase is currently under development with
10 expected completion by year end 2024.
11

12 Newfoundland Power is nearing the completion of its original *Transmission Line Rebuild*
13 *Strategy*. As transmission lines play an important role in providing reliable service to
14 customers, additional strategies must be considered. Wood pole retreatment programs
15 are being considered throughout the utility industry, including other utilities in
16 Newfoundland and Labrador. The *Wood Pole Retreatment* project from Schedule C of
17 Newfoundland Power's *2025 Capital Budget Application* will inform wood pole
18 retreatment, and may transition into a capital program in future years.
19

20 A significant number of the Company's power transformers have aged beyond the
21 service life typically observed in the industry. This poses an increasing risk of equipment
22 failures that can result in extended outages to thousands of customers. Due to supply
23 chain constraints and procurement lead times, Newfoundland Power is considering a
24 strategy to proactively replace its power transformer fleet.
25

26 Given these factors, it is anticipated that opportunities in the transmission and
27 substation asset classes will be explored in advance of other asset classes. However, the
28 implementation plan will evaluate opportunities across all asset classes. It will also
29 consider and incorporate cost to effectively balance cost, risk and performance.