

1 **Q. (Reference Application, Schedule B, page 28) It is stated "The Rebuild**  
 2 ***Distribution Lines program is required to provide reliable service to customers***  
 3 ***at the lowest possible cost as it permits the planned correction of deficiencies***  
 4 ***identified on the distribution system that would otherwise result in customer***  
 5 ***outages."***

6 **a) Is reliability the sole criterion justifying this program?**

7 **b) Does this suggest that there is an incremental cost associated with**  
 8 **maintaining current levels of reliability, or is this program proposed as a**  
 9 **means for improving reliability beyond a level that is 40% better than the**  
 10 **Canadian average?**

11 **c) If the Board decided not to approve this program, how much would**  
 12 **reliability be impacted; e.g., would SAIDI and SAIFI levels drop below the**  
 13 **Canadian average?**

14 **d) If the Board approved half of the proposed budget for this program, how**  
 15 **much would reliability be impacted?**

17 **A. a) No, reliability is not the sole criterion for justifying the Rebuild Distribution Lines**  
 18 **program.**

19  
 20 The *Rebuild Distribution Lines* program is a preventative maintenance program that  
 21 involves the planned replacement of deteriorated distribution structures and  
 22 electrical equipment identified through inspections or engineering reviews.

23  
 24 By maintaining the condition of the distribution system, this program contributes to  
 25 maintaining the reliability of the service to customers. Additional benefits of this  
 26 program include (i) safety benefits achieved by identifying any employee or  
 27 customer safety hazards on the distribution system through routine inspection, (ii)  
 28 environmental benefits, such as identifying and replacing rusted or deteriorated oil  
 29 filled equipment that is at risk of leaking, and (iii) economic benefits that result from  
 30 repairing deficiencies on the distribution system in a planned fashion compared to  
 31 unplanned corrective maintenance.

32  
 33 b) No. See part a). Newfoundland Power is focused on maintaining current levels of  
 34 reliability for customers. For more information, see the response to Request for  
 35 Information CA-NP-015.

36  
 37 c) Newfoundland Power cannot quantify the change in reliability that would occur  
 38 under the hypothetical scenario. For more information, see the response to Request  
 39 for Information CA-NP-015.

40  
 41 d) Newfoundland Power cannot quantify the change in reliability that would occur  
 42 under the hypothetical scenario. For more information, see the response to Request  
 43 for Information CA-NP-015.