Schedule C 2025 Capital Projects and Programs \$750,000 and Under

- Q. Page 4, Transmission Wood Pole Retreatment. Newfoundland Power states that the project involves the retreatment of selected transmission poles with wood preservative and that "Newfoundland Power intends for this project to transition to a program in future years."
 - a) Does the introduction of this program signify a significant change to Newfoundland Power's *Transmission Line Rebuild Strategy*? Please explain.
 - b) Does this program have the potential to decrease or eliminate the need for the wholesale rebuild of transmission lines? Please explain.
 - c) Will the program eventually evolve beyond simple retreatment of poles and include remediation of other transmission line components (i.e., similar to Hydro's Pole Line Management Program)? Please explain.
- A. a) The introduction of Newfoundland Power's *Wood Pole Retreatment* project does not signify a significant change to the Company's current *Transmission Line Rebuild Strategy*.

The *Transmission Line Rebuild Strategy* was originally submitted with Newfoundland Power's *2006 Capital Budget Application* and outlined a long-term plan for rebuilding the Company's oldest and most deteriorated transmission lines, which were not built to a particular standard. It established the prioritization of required rebuild projects based on: (i) the physical condition of a line; (ii) the risk of failure; and (iii) the impact a failure would have on the service provided to customers.

By the end of 2024, Newfoundland Power anticipates approximately 82% of the *Transmission Line Rebuild Strategy* will be completed. The transmission lines remaining as part of the *Transmission Line Rebuild Strategy* are already experiencing degradation and deficiencies, which pole retreatment does not address. As such, the introduction of the *Wood Pole Retreatment* project and eventual program will not have an impact on the completion of the current strategy.

However, as detailed in Appendix B of Newfoundland Power's 2025-2029 Capital Plan, the Company is currently completing a thorough review of its asset management practices with the implementation planning phase of this review currently underway. An implementation plan is expected to be finalized by the end of 2024, and will include a roadmap for asset management initiatives, including the development of new or the updating of existing asset management processes, practices and strategies. As such, Newfoundland Power will be reviewing its asset management processes, practices and strategies related to its transmission infrastructure as outlined in its implementation plan timeline.¹

As shown in this timeline, Newfoundland Power will execute its *Wood Pole Retreatment* project throughout 2025. Newfoundland Power intends for the

See Newfoundland Power's 2025 Capital Budget Application, 2025-2029 Capital Plan, Appendix B, page 9, Figure 2.

execution of this project to help inform the integration of a long-term wood pole retreatment program into its transmission asset management practices.

Any other changes or additions to the existing transmission asset management strategies, including the *Transmission Line Rebuild Strategy*, will be considered as a part of the ongoing asset management review.

b) A Wood Pole Retreatment project involves the retreatment of selected transmission poles to increase their levels of preservative and extend their expected service life. By extending the service life of transmission poles, the Wood Pole Retreatment program is expected to defer the need for future pole replacements over the long term.

In terms of the "wholesale rebuild of transmission lines", Newfoundland Power considers several factors in determining whether rebuilding a transmission line is least cost compared to replace individual components. These factors include an engineering assessment of the condition of all line components, including wood poles, conductor, insulators and hardware, the accessibility of the line, requirements for backup generation, mobilization and demobilization costs, and engineering design standards.²

c) Newfoundland Power already has an established maintenance program for its transmission lines that involves remediation of other transmission line components, similar to Hydro's Wood Pole Management Program. This is the Company's *Transmission Line Maintenance* program, which is outlined in Schedule B of the *2025 Capital Budget Application*.

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² For example, an assessment of alternatives completed for transmission line 146L in 2023 determined that a rebuild of the line was least cost compared to addressing individual deficiencies on the line. See Newfoundland Power's 2024 Capital Budget Application, report 3.1 2024 Transmission Line Rebuild.