Q. **Reference: CA-NLH-064**

CA-NLH-064 references the following statement "*Due to the geographic location of TL212, this transmission line is regularly exposed to heavy salt spray and pollutant contamination from the refinery in Come By Chance.*"

a) Is there pollutant contamination from the refinery as stated? If not, please provide corrected wording for this statement. If so, please identify the pollutants and respond to CA-NLH-064.

b) If any party, whether intentionally or not, damages Hydro infrastructure or property, is it Hydro's policy to allocate the resulting remediation cost to its customers rather than seek compensation from the party that caused the damage?

c) Has the management of the Come By Chance refinery denied that its pollutants caused damage to the transmission line?

A. **a)** Newfoundland and Labrador Hydro's ("Hydro") reference to pollutant contamination was intended as a general description of the environmental conditions in the vicinity of TL212. TL212 is located in an area exposed to marine conditions, including salt spray, and in proximity to industrial facilities. Hydro considers it reasonable to expect that airborne contaminants would be present in an area containing marine and industrial activities; however, Hydro has not undertaken environmental studies or analyses to identify, quantify, or attribute specific airborne contaminants to any particular source, including the refinery. Accordingly, Hydro cannot identify specific pollutants or assign responsibility for any observed contamination.

The need for the proposed project does not depend on the identification of specific contaminants or their source. The project is justified based on the observed condition of the assets and the resulting reliability and operational considerations described in Hydro's evidence.

b) No. Where Hydro determines that a third party has caused damage to Hydro infrastructure or property and there is a basis to recover resulting costs, Hydro may pursue compensation from the party responsible. Such matters are assessed on a case-by-case basis having regard to the facts and circumstances.

However, that is not the situation described in this Project. Hydro has not determined that the refinery, or any other party, caused damage to TL212. Rather, the evidence describes the environmental conditions to which the assets have been exposed over time. Hydro has not attributed the condition of the assets, or the need for the proposed capital work, to any specific customer or third party.

Utility assets are exposed to a variety of environmental and operating conditions over their service lives. Hydro's asset management practices assess and address the condition and performance of utility assets rather than attempting to assign portions of normal asset deterioration to particular customers or sources.

c) See Hydro’s response to parts a) and b) above. Hydro has not determined whether or to what extent the refinery’s emissions has contributed to the condition of TL212 or the need for the proposed capital work. Hydro has not claimed that the refinery has caused damage to the transmission line and has not sought to establish responsibility for such damage.