

1 **Q. (Reference Application) Please provide a summary of all laboratory testing used by**
2 **NP to verify the need for asset replacement.**
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4 A. Newfoundland Power has not conducted any laboratory testing to verify the need for
5 asset replacement associated with projects in the *2021 Capital Budget Application*.
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7 Newfoundland Power verifies the need for asset replacement through its annual
8 inspection and maintenance practices, condition assessments and engineering reviews.¹
9 The Company also completes laboratory testing, when required. As examples, the
10 Company completed laboratory testing: (i) in 2014 with respect to the Bell Island
11 submarine cable; (ii) in 2003 with respect to the New Chelsea Hydro Plant penstock; (iii)
12 in 2008 with respect to the Rattling Brook Hydro Plant penstock; and (iv) throughout the
13 course of each year with respect to substation transformer oil analysis.
14

15 In addition, the Company engages third party engineering consultants with appropriate
16 engineering expertise to provide recommendations for specific asset replacement.
17 Examples of this in the *2021 Capital Budget Application* include the *Rattling Brook*
18 *Surge Tower*² inspection, the Carbonear office *HVAC Systems Analysis*³, and the *Topsail*
19 *Hydroelectric Development 2019 Penstock Condition Assessment*.⁴

¹ As examples, Newfoundland Power inspects: (i) substations 8 times annually; (ii) transmission lines annually; and (iii) distribution lines on a 7-year cycle.

² See the *2021 Capital Budget Application, Volume 2, 1.1 2021 Facility Rehabilitation, Appendix A: Tacten International Inc. – Rattling Brook Surge Tower*.

³ See the *2021 Capital Budget Application, Volume 2, Report 5.1 Company Building Renovations, Appendix B – HVAC System Analysis Carbonear*.

⁴ See the *2020 Capital Budget Application, 1.4 Topsail Hydro Plant Penstock Replacement, Appendix C - Topsail Hydroelectric Development 2019 Penstock Condition Assessment (MECO)*. The Topsail penstock condition assessment was included in the *2020 Capital Budget Application* when the project was first presented as a 2-year project commencing in 2020. The project was approved in Order No. P.U. 5 (2020).