

1 **Q. (Reference 2024 Capital Expenditures Report, Appendix B Discussion of**
2 **Capital Expenditures) It is stated (page 3 of 3) "Due to not receiving these**
3 **approvals, Newfoundland Power did not construct a 5km section of this line,**
4 **instead tying the new line into a segment of the existing 55L transmission**
5 **line." Replacement of this line was approved in 2022. Does this suggest that**
6 **the risk of failure of transmission line 55L was overstated in NP' s project**
7 **justification?**

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9 **A.** The risk of failure to Transmission Line 55L as outlined in the Project's original
10 justification as part of Newfoundland Powers *2023 Capital Budget Application* was not
11 overstated.

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13 As described in report *3.1 – 2023 Transmission Line Rebuild*, Transmission Line 55L was
14 a 43.3km, radial transmission line serving approximately 3,400 customers via the
15 Placentia Junction, Dunville, Clarke's Pond and Quartz substations. This means any
16 outage on this line would result in a direct loss of service to customers. Condition
17 assessments completed in 2022 identified that 253 of the 490 poles on the line were
18 deteriorated to the point where replacement was required, and an additional 61
19 structures had deficiencies identified to other components such as cross arms, insulators
20 or hardware.

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22 Additionally, Transmission Line 55L was not constructed to present day standards. The
23 Canadian Standards Association (CSA) establishes standards for the construction of
24 overhead systems based on local climatic conditions. At the time on construction, the
25 area in which Transmission Line 55L was classified as "CSA Heavy", requiring design
26 loads of 12.5mm of ice and 400N/mm² of wind to be applied to the design. CSA has
27 since reclassified this area to "CSA Severe" and requires the inclusion of a 50-year return
28 period wind-only load case. Both of these criteria changes have increased the loading
29 requirements for overhead systems in the area of Transmission Line 55L beyond that
30 which the original line was designed to withstand.

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32 Based on the deteriorated condition of Transmission Line 55L and its substandard design
33 based on present day standards, the risk of failures of the line and subsequent service
34 interruptions to customers were not overstated in the original project justification.

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36 The five-kilometre section of Transmission Line 55L which was not rebuilt remains at an
37 increased risk of failure. However, without receiving the required government-issued
38 permits, Newfoundland Power is unable to complete the construction of the final section
39 of this line. As stated in Appendix B of the *2024 Capital Expenditure Report* filed with
40 Newfoundland Power's *2026 Capital Budget Application*, the Company will reassess the
41 available alternatives to rebuild this remaining section of the line once approvals can be
42 obtained from the Department of Transportation and Infrastructure.