Q. Reference: "2026 Capital Budget Application," Newfoundland Power Inc., June 27, 2025, Supporting Materials, Transmission: 3.1, p. 4 and 9.

Apart from Transmission Line 100L, each of the transmission lines which were originally constructed as part of the long Sunnyside-Gander line have been rebuilt or have a rebuild project currently underway.

and;

The historical reliability performance of Transmission Line 100L has been reasonable. There have been thirteen outage events since 2013 due to the need to undertake preventative and corrective maintenance.

- a) Removing planned outages, the total outage hours for Transmission Line 100L is 80.4 hours from 2013 to 2014. Given that the other Transmission Lines in this corridor have been rebuilt, and the reasonable historical reliability performance of the line, did Newfoundland Power consider deferral of the Transmission Line 100L Rebuild project?
- b) Did any of the thirteen outage events result in outages to customers?
- **A.** a) Yes, Newfoundland Power considered deferral of the Transmission Line 100L project, as it does with all proposed capital projects.

Newfoundland Power employs a comprehensive capital planning process which applies sound engineering and objective data to determine which capital expenditures are required annually to provide customers with access to safe and reliable service at the lowest possible cost.

During the Company's capital planning process, proposed projects are reviewed to determine if they should be advanced to an earlier year than previously proposed, deferred to future years, or removed entirely from the capital plan. In reviewing the Transmission Line 100L Rebuild project, Newfoundland Power determined that, given its deteriorated condition, the fact that it was originally scheduled for rebuild in 2012 and already deferred for over 13 years, and its criticality to the system, further deferral of the Transmission Line 100L Rebuild project is no longer appropriate. While the historical performance of Transmission Line 100L has been reasonable, Newfoundland Power does not generally use historical reliability of transmission lines to evaluate if a transmission line requires a rebuild. In Order No. P.U. 38 (2022), the board agreed with Newfoundland Power, stating:

The Board does not take past reliability performance as evidence of future reliability performance, especially in light of the evidence showing the deteriorated condition of the line.¹

¹ See Order No. P.U. 38 (2022), page 15, lines 24 to 26.

Newfoundland Power Inc. – 2026 Capital Budget Application Page 2 of 2

Filed: 2025-09-09

Additionally, when it is determined that a capital expenditure is necessary, Newfoundland Power assesses available alternatives to the scope of the capital expenditure, such as a like-for-like replacement, upgrade or replacement, and alternatives that could result in the deferral of capital expenditures. For example, Alternative 1 in report 3.1 Transmission Line 100L Rebuild proposes addressing the existing deficiencies identified on Transmission Line 100L in 2026, and deferring the rebuild of the remaining structures for five years, until 2031. As further discussed in the report, this alternative was determined to not be least cost, and was therefore not proposed by Newfoundland Power.

b) See the response to Request for Information CA-NP-070.