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18-22, Rebuild Distribution Lines Program. In response to PUB-NP-006 filed during the 2015 Capital Budget Application, Newfoundland Power notes that the SAIFI, SAIDI, CHIKM and CIKM indices are used to identify feeders requiring reliability assessment. Please explain how these indices, the associated reliability assessments, and the list of worst performing feeders are considered by Newfoundland Power when identifying the feeders that require inspection and annual preventative maintenance as part of a Capital Budget Application.

Feeder reliability is not considered in determining the feeders requiring inspection and maintenance under the Rebuild Distribution Lines program. Under Newfoundland Power's distribution asset management practices, all distribution lines are inspected on a 7-year cycle regardless of historical reliability performance. During the inspection, deficiencies are identified and repaired on a prioritized basis. The inclusion of a feeder under the Rebuild Distribution Lines program does not imply that work will necessarily be completed on each feeder listed, but merely that an inspection will be completed.

The purpose of the Rebuild Distribution Lines program is to have a reasonable and consistent inspection cycle to identify and repair deficiencies on feeder infrastructure, prior to outages that might otherwise occur as a result of such deficiencies.

Reliability indices such as SAIDI, SAIFI, CHIKM and CIKM, are used by the Company for a different purpose: they serve as a screening tool to identify the worst performing feeders under those metrics so that a detailed reliability assessment in the form of an engineering review can be performed. The reliability assessment will determine if any work, capital or otherwise, is required in order to address reliability issues that might be verified by the reliability assessment. 1 Capital work identified through this engineering review process is typically proposed and completed in a project under the *Distribution* Reliability Initiative.

See the response to Request for Information PUB-NP-006, page 2, lines 7-17 in relation to the Company's 2015 Capital Budget Application.