**Q. Further to the response to PUB-NP-066, explain the reasons for the low job completion rates for power transformer and breaker maintenance jobs (73% and 84%). In the response state whether staffing issues prevent compliance with the schedule.**

A. Newfoundland Power's completion rates for power transformer and breaker maintenance jobs in 2013 were 106% and 89%, respectively.

Completion rates for power transformer and breaker maintenance jobs over the period 2011 through 2013 were 73% and 84%, respectively. The lower completion rates as compared to 2013 were the result of a number of factors.

Maintenance for power transformers and breakers is prioritized based upon condition assessment of the specific assets. These condition assessments consider matters such as system criticality, oil sampling, noted deficiencies, maintenance history and physical condition. Because asset condition can change during the course of a year, maintenance priorities are subject to change.[1]

Maintenance targets and schedules are based upon expected work load. Changes in the work load can result in variability in the amount of scheduled maintenance which is completed in any particular year. Common causes of changes in work load are major electrical system events, such as hurricanes and ice storms, and unusually high numbers of in-service equipment failures. Increases in work load can result in lower priority work being deferred.

Maintenance scheduling is influenced by capital work in substations which can provide an opportunity to perform maintenance with minimal disruption of customer service. Because capital priorities can change during the course of the year, maintenance schedules can also change, depending upon asset condition.

In 2010, Newfoundland Power experienced both a severe ice storm and hurricane. Amongst other things, these severe electrical system events resulted in material changes to the Company's capital program through 2011. In 2012, the Company experienced Tropical Storm Leslie which was also a severe electrical system event. The response to Tropical Storm Leslie required redirection of resources which affected completion of lower priority jobs which were part of existing maintenance schedules. Finally, during the period 2011 through 2013, the Company's annual capital investment in substations

[1] In-service equipment failures are one type of condition based changes that can affect maintenance priorities. For example, in July 2014, Newfoundland Power took a power transformer out of service as a result of dissolved gas in oil analysis which indicated a sharp increase in acetylene gas in transformer oil.

increased materially.[2] The adjustment to this increased capital expenditure likely hampered completion of maintenance in 2011 and 2012.

Newfoundland Power's current staffing levels are sufficient to fulfil its obligation to serve its customers. Changes in circumstances which the Company faces in any year can affect the actual maintenance work performed in that year. Provided that the higher priority maintenance is performed every year as required and overall maintenance practices remain reasonably vigorous, Newfoundland Power's customers should continue to receive reliable service.

Please see the responses to Requests for Information PUB-NP-061, PUB-NP-065 and PUB-NP-068 for further information on the reliability of service provided by Newfoundland Power's electrical system.

[2] From 2011 to 2013, substation capital expenditures were approximately $13 million per year. This is over 60% higher than the approximately $8 million per year in substation capital expenditures for the period 2008 through 2010.