

Volume III, Distribution Lightning Arrestors, Appendix 2, Attachment B

Q. The present worth analysis of Alternative #1 (Status Quo) does not appear to take into account the effect of installing lightning arrestors on all new transformer installations. Please provide the effect on the Status Quo alternative of continuing to install lightning arrestors only on new distribution transformer installations.

A. Alternative #1 is a “do nothing” alternative that does not include installing lightning arrestors on new transformer installations. If Newfoundland Power were to install lightning arrestors on new distribution transformers only, then the present worth cost of this alternative would be \$4,353,477.