

1 (9:30 a.m.)

2
3 MR. NOSEWORTHY, CHAIRMAN: Thank you, and a
4 good Friday morning everybody. Is there anything before
5 we get started, Counsel, any preliminary matters this
6 morning?

7 MR. KENNEDY: Just one, Chair, I just wanted to bring to
8 the attention of the parties that Hydro's second quarterly
9 report has been filed with the Board September the 10th,
10 2001. It doesn't constitute the body of the evidence in the
11 hearing, but since it is part of the Board's record, I felt it
12 was appropriate to bring it to the attention of the parties.

13 MR. NOSEWORTHY, CHAIRMAN: Thank you. If there's
14 nothing further, we'll proceed with the ...

15 MR. BROWNE, Q.C.: Mr. Chairman, I was going to say
16 something about the people who are participating. I was
17 going to give you a further update on that?

18 MR. NOSEWORTHY, CHAIRMAN: Sure, thank you, Mr.
19 Browne, I appreciate that.

20 MR. BROWNE, Q.C.: In reference to St. Anthony thusfar,
21 we only have the Town Council making a presentation. It's
22 ongoing, it could change, that's all I can tell you there. In
23 reference to the coastal communities in Labrador, we will
24 have a fair representation from there. We have no names to
25 give to the Board as of yet. Assistants to Members at the
26 Confederation Building are working on that and they
27 should have names for us shortly. I suspect though we
28 mightn't have the names until the plane lands, but anyway,
29 that's ... they are working on it. The Town Council of Nain
30 issued a circular in reference to the hearing, and I'll just
31 have that distributed for the record. They're trying to
32 advise all their members or all their citizens of the hearing.
33 The only thing that they don't have in there is the amount
34 of the rate increase proposed, because they don't know.
35 They weren't informed officially, and I think Hydro could
36 put a quick end to that by having someone, the facts to
37 these coastal communities in this afternoon or later this
38 morning, what exactly it is, the rate increase as proposed
39 for the coastal communities in Labrador. I think it's
40 incumbent upon Hydro to present that. When the Town
41 Clerk can issue a notice such as this but can't put the exact
42 rate that is being sought, or what the rate is for their
43 schools and homes, there is something lacking here. I
44 know Newfoundland Power, to their credit, always put an
45 insert when they were seeking an increase stating what the
46 increase is, and I don't see why Hydro didn't do something
47 similar instead of depending upon the media and some
48 public relations announcements, so it could be done simply
49 by a fax to these communities. The communities have a
50 network in place, so at least they will know and the

51 Councils will know. That's not too much to ask. I was
52 wondering if Hydro would speak to that or undertake to do
53 that?

54 MR. NOSEWORTHY, CHAIRMAN: Mr. Browne, before I
55 ask Ms. Greene if there is any comment, are there ... do you
56 have any expectations that there will be others, other than
57 the Town Council of St. Anthony, who would be appearing
58 before the Board on Monday at this point?

59 MR. BROWNE, Q.C.: You're asking me?

60 MR. NOSEWORTHY, CHAIRMAN: Yes, yeah.

61 MR. BROWNE, Q.C.: The Town Clerk up there tells me that
62 there may be someone from the fish plant, he's discussing
63 the issue with them, and we are still working on
64 Roddickton. I might be able to tell you more after the break
65 in reference to whether someone will appear from
66 Roddickton.

67 MR. NOSEWORTHY, CHAIRMAN: Thank you. Any
68 further comment, Ms. Greene, before we proceed?

69 MS. GREENE, Q.C.: I wonder if the Consumer Advocate
70 could indicate the communities, if not the names of the
71 people, the communities from which there will be
72 representatives first?

73 MR. BROWNE, Q.C.: We have ... the Members are working
74 on this. I understand there will be people from Mary's
75 Harbour, Nain, Rigolet, Makkovik, and points in between.
76 I have not been given a specific number by the people who
77 are working at it in the members office up there at the
78 Confederation Building, so this is what I've been told to
79 date. But surely Newfoundland Hydro would know who
80 their customers are in southern and northern Labrador and
81 be able to inform the people there.

82 MS. GREENE, Q.C.: Yes, we know who our customers are.
83 The question is do you fax each one of our 35,000
84 customers this afternoon, or do you fax representatives of
85 town councils, and that's why I would have ... I was trying
86 to determine the communities that have expressed an
87 interest and we would have made an effort, but in terms of
88 ... yes, we can undertake to send something today. I guess
89 the question I'm thinking about in my mind is who we send
90 it to at this point, and if it's the town councils, we will try to
91 find the name of a mayor and a fax number. It's ...

92 MR. BROWNE, Q.C.: Yeah, I'm just suggesting to councils
93 at this point. Obviously, it's impossible for you to notify
94 your 35,000 customers at this stage. That's something that
95 may have been considered previously, but I think at this
96 stage, since the councils do have a network in place as is
97 evident from this circular they sent to residents, that might
98 be best way to do it in the circumstances.

99 MR. NOSEWORTHY, CHAIRMAN: The MHA's as well,

1 Mr. Anderson, I would think, and Ms. Jones, I think they
2 have been involved, and Mr. MacLean, as well.

3 MS. GREENE, Q.C.: And with respect to the MHA's, they
4 have been briefed by Hydro.

5 MR. NOSEWORTHY, CHAIRMAN: They have been,
6 okay.

7 MS. GREENE, Q.C.: There have been discussions with the
8 MHA's.

9 MR. NOSEWORTHY, CHAIRMAN: Okay, thank you. So
10 is it my understanding that you will be ...

11 MS. GREENE, Q.C.: I will undertake to ...

12 MR. NOSEWORTHY, CHAIRMAN: Undertake to try to
13 communicate with the ...

14 MS. GREENE, Q.C.: ... try to get something out between
15 now and Wednesday. I can't promise it will be this
16 afternoon, until I talk to the staff.

17 MR. NOSEWORTHY, CHAIRMAN: Thank you. If there's
18 nothing else, we'll proceed with the Board questioning, and
19 I'll ask Commissioner Powell to begin. Good morning, Mr.
20 Henderson.

21 MR. HENDERSON: Good morning.

22 COMMISSIONER POWELL: Good morning, Mr.
23 Henderson.

24 MR. HENDERSON: Good morning.

25 COMMISSIONER POWELL: Thank you, Chair. I only
26 have a couple of items I want to touch on, and I don't think
27 there's anything that we've gone over before, and I don't
28 think anybody is going there. One of the ... when I first
29 started to read your evidence, I looked down at the pre-
30 filed evidence, and you said your position was Manager of
31 Systems Operation, so then I went to **NP-5**. It gives the
32 chart of accounts ... or not chart of accounts, the analysis
33 of all the various departments and various positions and
34 we started off with Mr. Wells, and then we continued on
35 with the Vice-President of Transmission and Rural
36 Operations, Mr. Reeves, so I went across to the right to
37 pick up Mr. Henderson, and then I couldn't find you. So
38 that didn't really depress me too much, because my wife
39 always said that the inability to read road maps and take
40 directions is a male thing, so I went looking and I started
41 going through the documents and I found at **NP-5** and **D-1**,
42 under production, and down about three levels there is a
43 little block called Manager of Systems Operation, R.J.
44 Henderson, so I presume that's you.

45 MR. HENDERSON: That's correct.

46 COMMISSIONER POWELL: So then I continued on to
47 find out, because it refers you to the chart **D-6**, and over in

48 **D-6**, we've got Manager of Systems Operations, R.J.
49 Henderson, and there's a bunch of blocks down below you,
50 so that's you and that's your department.

51 MR. HENDERSON: That's right.

52 COMMISSIONER POWELL: Sort of down in the middle of
53 the organizational chart.

54 MR. HENDERSON: Yes.

55 COMMISSIONER POWELL: So then I went over to **NP-6**,
56 where they list all the staff and various divisions, and in
57 May of 2001 it shows under production, 313 full-time
58 employees, and 63 part-time, for approximately 376 staff at
59 the end of May 2001. So is that where you fit in?

60 MR. HENDERSON: I'm in that number.

61 (9:45 a.m.)

62 COMMISSIONER POWELL: In that number, okay, so we
63 go back to **D-6**, so I started doing some calculations, so
64 your little department represents about four percent of the
65 production staff, and about one and a half percent of the
66 total staff of the Hydro organization.

67 MR. HENDERSON: Right.

68 COMMISSIONER POWELL: Okay, I tried to get ... I do that
69 just to try to visualize what you're doing and where you fit
70 in, because I was sort of intrigued when I started crunching
71 some numbers, listening to the testimony, and even though
72 you're very small in terms of the size of the organization,
73 between 30 and 35 percent of the total budget of the
74 organization goes through your department in terms of
75 your cost and controls and various things you impact on,
76 and probably even greater. So you can almost ...

77 MR. HENDERSON: It's in that vicinity.

78 COMMISSIONER POWELL: Yeah, so I get the feeling that
79 systems operation is almost the heart of the organization in
80 the sense that as you beat, the organization beats, and they
81 better all be going at the same beat with you. So I had a
82 chance last year, last winter or last spring, I'm not sure, and
83 not being from St. John's, it's sometimes very difficult to
84 figure out when it's winter and when it's spring, but to go
85 to your Control Centre over there at your headquarters at
86 Columbus Drive, so just looking at that chart in **D-6**,
87 yourself, and it comes down to the Superintendent-Energy
88 Control Centre, is that the ... the Energy Control Centre, is
89 that the ... when you're standing above looking down in
90 sort of a big cage with all the dials on the wall and chaps
91 down there on computers, that is the Energy Control
92 Centre?

93 MR. HENDERSON: That is, yes.

94 COMMISSIONER POWELL: So those people under the

1 (inaudible) supervisory, Energy Control Centre, these are
2 people actually working in that centre?

3 MR. HENDERSON: That's right.

4 COMMISSIONER POWELL: The power system operators,
5 are they working in that centre?

6 MR. HENDERSON: Yes.

7 COMMISSIONER POWELL: Okay, you're a professional
8 engineer, electrical. Are any of these people in those three
9 departments down from you, are they professional in terms
10 of educational wise? I'm sure they're all professional in
11 how they do their job but ...

12 MR. HENDERSON: There are two professional engineers
13 besides myself.

14 COMMISSIONER POWELL: Okay, so ...

15 MR. HENDERSON: And the rest would be technicians.
16 There is an accountant and the rest are ...

17 COMMISSIONER POWELL: No, there's an accountant on
18 the block left.

19 MR. HENDERSON: Yes.

20 COMMISSIONER POWELL: And there's a ...

21 MR. HENDERSON: The remainder would be considered
22 technicians.

23 COMMISSIONER POWELL: Okay, so all these people in
24 this chart here, I would see them in that ...

25 MR. HENDERSON: They're in that office area.

26 COMMISSIONER POWELL: Yeah, in that bubble type
27 concept there, looking down.

28 MR. HENDERSON: Yes.

29 COMMISSIONER POWELL: Okay, so none of these are
30 out in the field, they're all right there in the ...

31 MR. HENDERSON: Exactly.

32 COMMISSIONER POWELL: Okay, reading through your
33 pre-filed evidence and listening to your discussion, you
34 talked about having computer programs and computer
35 models, and things to ... as to data going to the centre, you
36 would be collecting.

37 MR. HENDERSON: Yes.

38 COMMISSIONER POWELL: And that would be done
39 automatically, it's all tied in ... and it gives you a model.
40 Now these programs you have, are they independent of the
41 JD Edwards system that you've got?

42 MR. HENDERSON: Yes.

43 COMMISSIONER POWELL: Okay, so you use these
44 models to do your various calculations that you arrive at
45 these conversion factors we talked about.

46 MR. HENDERSON: Yes, the conversion factors would be
47 coming from data that we have collected over the years.
48 They're not part of the JD Edwards system. Some of the
49 information comes from our energy management system.
50 Others is just information that we tabulate in spreadsheets
51 and databases and that sort of thing.

52 COMMISSIONER POWELL: Well, except for ... not
53 wanting to go back into the hydraulic data which you got
54 from a different source, but all this other data that you use
55 in these spreadsheets would have been things that you,
56 these computer models would have gotten from the
57 operation ...

58 MR. HENDERSON: Some of it, that's where it came ... some
59 of it is, for instance, the energy produced by a generator
60 comes from a manual meter reading taken on the generating
61 unit that would, we would be recording and maintaining in
62 a database.

63 COMMISSIONER POWELL: So that's somebody outside
64 of your department would send you that information?

65 MR. HENDERSON: Yes, yeah.

66 COMMISSIONER POWELL: Okay, and that's a routine
67 coming in on a regular basis.

68 MR. HENDERSON: On a regular basis.

69 COMMISSIONER POWELL: And it's one of your, in your
70 department, your ...

71 MR. HENDERSON: Correct, and reports, puts it into
72 reports and so on.

73 COMMISSIONER POWELL: Is that why you need an
74 accountant in your little operation there?

75 MR. HENDERSON: The accountant does the power bills
76 for all our large customers as well, so the billings for
77 Newfoundland Power and bills for the industrial customers
78 are done by him as well.

79 COMMISSIONER POWELL: Okay, so it's actually done
80 right in your department, it doesn't go up through the
81 system to Mr. Roberts?

82 MR. HENDERSON: No, there is involvement with the
83 controller's department and the rates department in that
84 process. Everybody has a role, but we actually take the
85 energy readings and put them on the bills. They give us
86 rates to apply to the kilowatt hours if you like, and they
87 also do all the ... I'll say more detailed accounting activities
88 related to recording it into our ... into the JD Edwards
89 system and that sort of thing.

90 COMMISSIONER POWELL: Okay, so you just actually

1 work out the amount in terms of the kilowatts and
2 gigawatts or whatever, and the other department puts the
3 actual dollar value on it.

4 MR. HENDERSON: Well, we do it but they ... I mean that's
5 a pretty simple mathematical calculation.

6 COMMISSIONER POWELL: Yes, okay, no problem there.
7 These conversion factors that you use, is that done right
8 here in this department?

9 MR. HENDERSON: Yes.

10 COMMISSIONER POWELL: You do it. So when you
11 arrive at these conversion factors, how do they get to Mr.
12 Osmond's department, the Rate Stabilization, which has an
13 impact on it? I mean are they downloaded ...

14 MR. HENDERSON: We do the budgeting, so they are part
15 of the information in our budget information that we
16 provide to Mr. Osmond's department, and then they would
17 take that and apply it to the Rate Stabilization Plan, and
18 wherever else they may use it.

19 COMMISSIONER POWELL: Now, one of the problems I
20 have, and it's not fair to say I have a problem, but I'm just
21 trying to follow the flow because I found you down here in
22 the middle somewhere, and when I look at this situation
23 here, going back to **NP-5, D-1**, you're down here to the
24 extreme right ... that's not a political philosophy, that's just
25 where you happen to be, and you're grouped there with, I
26 guess, assuming this is equal weighting, with the Manager
27 of Hydro Generation, Thermal Generation, and then your
28 System Operations, and you report to a Director-General of
29 Operations, which appears to be vacant. Normally there's
30 somebody occupying that position, and then you go up
31 and you report to the Vice-President of Production, Mr.
32 Haines, who seems to have equal weight with Mr. Reeves,
33 Mr. Osmond, and reports back up to Mr. Wells. My,
34 certainly, understanding ... you sort of skip that and you go
35 right over here to Mr. Osmond, Vice-President of Finance,
36 (inaudible), or is this flow ...

37 MR. HENDERSON: I guess when it comes to these
38 conversion factors, they are discussed with my boss.
39 Right now the organization, there has been a
40 reorganization, and the vacant position has been
41 eliminated, so I now report directly to Mr. Haines.

42 COMMISSIONER POWELL: So Mister ...

43 MR. HENDERSON: And so on a go-forward basis now, I
44 will be, any changes to conversion factors will be reviewed
45 with Mr. Haines before they become utilized, if you like,
46 within all the departments. That's not a decision I make on
47 my own. It's a recommendation I would make to Mr.
48 Haines, and he would either agree or we'd come to an
49 agreement as to what it should be, and then it would be

50 passed on to the other departments for use.

51 COMMISSIONER POWELL: Okay, so you have to sit
52 down and justify these things to Mr. Haines before they
53 would ... when you first do up the conversion factor, you
54 would flow up through the data, would Mr. Haines then
55 take that over to Mr. Osmond, they work out the numbers
56 and say, well this is not the right one, work it back down to
57 you and say can we have another go at this?

58 MR. HENDERSON: We're not, I guess, that structured. I
59 mean I can call people in Mr. Osmond's department ...

60 COMMISSIONER POWELL: So you send it over, try this
61 on, because I got to talk to the boss first?

62 MR. HENDERSON: They're ... excuse me, we would all
63 have a discussion, I guess, on the impact of it. In
64 particular, the Holyrood conversion factor, the hydro
65 conversion factor doesn't really, it would be more with
66 Mr. Haines than myself, but the Holyrood conversion
67 factor would probably involve more discussion because
68 the, it involves the Rate Stabilization Plan.

69 COMMISSIONER POWELL: How many conversion factors
70 did you send over to Mr. Osmond related to the thermal
71 before you arrived at the one you used?

72 MR. HENDERSON: The only one that went is the one that
73 we arrived at because we used the ... we took the most
74 recent years' average and that sort of reflected the way that
75 the Board had looked at it the last time it got reviewed so
76 we went with that approach, so we agreed with that
77 approach, and then we did the calculations and came up
78 with the number, and everybody agreed that that was the
79 appropriate number because that was a similar approach
80 that had been taken in the past, which was looking at the
81 most recent conversion factor experience, and applying it,
82 so that was the only one that we ...

83 COMMISSIONER POWELL: Were you asked for a what-if
84 scenario, do you ever do any of that?

85 MR. HENDERSON: We did a little analysis to see whether
86 there was, you know, like we have actual experience, so
87 you could say well let's ... you know, what if we had the
88 experience of 1997 versus what if we had the experience of
89 1999. I would have just done that on a very rough basis
90 because you're using different amounts of oil in those
91 different years and this sort of thing, and it has different
92 financial impacts, right, but the number we settled on was
93 just based, as I said, with past experience type thing, past
94 practice.

95 COMMISSIONER POWELL: So Mr. Haines had to
96 basically okay that, and then the official ... is there any
97 procedure in, like ...

98 MR. HENDERSON: At the time it wasn't Mr. Haines, it was

1 his predecessor, Mr. Collett, who looked at the numbers
2 and said this is a reasonable way to go. He agreed with it
3 and we went ahead, moved forward with using that one.

4 COMMISSIONER POWELL: So he puts his official stamp
5 of approval on it? I mean is there any ... if I went in, if I was
6 going in to do an audit of the process, would I find a
7 document saying he signed off on it, or ...

8 MR. HENDERSON: There should be something there.

9 COMMISSIONER POWELL: When you're ... you're down
10 there, I don't want to question your ability or anything, I
11 wouldn't do that. I'm sure, you know, you've forgotten
12 more about the system than a lot of people will know, but
13 you're working on these numbers, you're working on your
14 practices in the past, but there must be some days that you
15 wake up and you wonder, gosh, you know, have I got the
16 right mouse trap, or is there something we're doing wrong.
17 Do you have any authority to go out and say we'd like to
18 get somebody to come in and, you know, check this for me,
19 you know, to stand on their head and look at it in a
20 different way, so to speak? Or do you just keep doing what
21 you've been doing because you're so confident in what
22 you're doing?

23 MR. HENDERSON: When it comes ... well, I guess, it
24 depends on the area. In some areas we would go out for a
25 consultant, if you like, to look at an area where we may not
26 have much experience in that area, and we would like to
27 have that other opinion. With respect to the conversion
28 factor, it's a fairly straightforward calculation, so we've
29 never considered going out asking a consultant to do that
30 kind of a calculation.

31 COMMISSIONER POWELL: Do you ... your department,
32 you're working ... you report to, as you say, you used to
33 report to a director of generation operations, and then to a
34 vice-president, is there any process within Hydro that,
35 excuse me, somebody would come in as a matter of routine
36 and look over what you're doing and sort of, what I would
37 call an internal audit of what you're doing ... your process,
38 see that you're complying with all the procedures. You
39 must have a manual, basically, where you have to
40 document various things that you're doing.

41 MR. HENDERSON: There is some documentation,
42 depending on the complexity and, I guess, criticalness of
43 things, there is some documentation. We do have an
44 internal audit department that does check certain things
45 with, you know, as far as process, and make sure that
46 people are following procedures that are documented and
47 so on, so that is done and they do come to my department.
48 There is also, I have had people from the Board's auditors,
49 if you like, Grant Thornton have come in and spoken to me
50 about how we do things to get an understanding.

51 COMMISSIONER POWELL: So these various factors that
52 you use, you mentioned that, I think in your pre-filed
53 evidence, the timeframe. If the panel said to you, what
54 would be the conversion factors you would use today, how
55 long would it take for you to get those for both the ... how
56 about for today's date?

57 (10:00 a.m.)

58 MR. HENDERSON: As of today's date, you want the
59 conversion factor for ...

60 COMMISSIONER POWELL: I'm not going to ask you for
61 it, but just ...

62 MR. HENDERSON: No, but I'm just trying to understand,
63 are you looking for ... at the end of any month you could do
64 a conversion factor calculation and we do it for every
65 month.

66 COMMISSIONER POWELL: Yes.

67 MR. HENDERSON: And I think it's in there as far as year
68 to date. I think we provided that up to the end of August
69 or July.

70 COMMISSIONER POWELL: So you're talking about, if it
71 takes you about a month after ... with all the data?

72 MR. HENDERSON: No, well the data, you wait until you
73 have a full month's production. At the end of each month
74 we do a dipping, I'll call it, or a measurement of the fuel in
75 the tanks at Holyrood. That tells us how much fuel we
76 consumed during the month. At the end of the month we
77 do meter readings on the generators that tells us how much
78 energy we've produced, so you need those two numbers to
79 do the conversion factor calculation, so that, they're
80 monthly processes, so you'd have to wait until the end of
81 a month to get a number.

82 COMMISSIONER POWELL: So in other words, for you to
83 give me the conversion factor for today, you'd have to
84 phone up Holyrood and tell somebody to dip the tanks to
85 find out how much is there.

86 MR. HENDERSON: How much have we used since the last
87 measurement of the tanks and what are, how much energy
88 have we produced, and then you would do your ratios.

89 COMMISSIONER POWELL: So basically these are 24 hour
90 ... if somebody said to you we need it today instead of the
91 end of the month, these are procedures that would have to
92 be done and they're sort of 24 hour type ...

93 MR. HENDERSON: Yes.

94 COMMISSIONER POWELL: So therefore, 24 hours after
95 that you can come up with a new conversion factor?

96 MR. HENDERSON: Yes.

1 COMMISSIONER POWELL: Okay, I just wanted to get
2 some feel for the flow of this ... why you do it monthly, I
3 appreciate why you do it, but it doesn't take you a month
4 after the end of the month to come up with a figure?

5 MR. HENDERSON: No.

6 COMMISSIONER POWELL: No, okay. What is ... the
7 operations planning engineer, what does he or she do?

8 MR. HENDERSON: He does the, a whole variety of things,
9 but one of the things would be our water management
10 activities. He runs our model that we use for developing
11 those minimum levels that we talked about yesterday, and
12 for writing the model to help us determine what production
13 levels we require from our generation each week. He runs
14 the model. He also gathers a lot of information with respect
15 to the reliability of our system. He reviews all of our
16 outages that are going on in the system to ensure that
17 there are no technical problems related to taking certain
18 pieces of equipment out, or how they might affect the
19 customers. He'll do what we call load flow analysis of
20 those outages to make sure that we know how we should
21 approach the outage as far as giving directions to the
22 operators to maybe put on extra load at Holyrood, or just
23 Holyrood, or however, whatever things we have at our
24 avail to control the system. He will provide guidelines to
25 the operators. Those are sort of an overview of the, I
26 suppose, more time consuming elements of his job, but
27 there are a lot of other things that he does.

28 COMMISSIONER POWELL: You have a relatively small
29 staff there, and this is 24 hours a day, seven days a week,
30 365 days a year. I mean this never stops. People get sick,
31 people take holidays, I haven't done any flow charting in
32 terms of work, but is there much movement? It's not ... I
33 wouldn't, but the nature wouldn't lend itself to getting
34 somebody off the street to come in and fill in.

35 MR. HENDERSON: No.

36 COMMISSIONER POWELL: So what happens when
37 you're gone? I mean you do have ...

38 MR. HENDERSON: Well I've been here for three weeks.

39 COMMISSIONER POWELL: How are the lights staying
40 on, yeah, yeah.

41 MR. HENDERSON: And Mr. Butler, who is the
42 superintendent of the Control Centre is taking care of
43 things, and he's very much looking forward to me coming
44 back because he's run ragged right now.

45 COMMISSIONER POWELL: Yes, okay, so ... but this 15
46 people, including yourself who is here, working, and the
47 sick, the holidays, I mean that can run. There's no ... I mean
48 you have your annual holidays ...

49 MR. HENDERSON: It all presents its challenges to
50 scheduling and so on, particularly the people, the 11 people
51 that work on shift. You know, there are certainly
52 challenges when you have sick people there. That
53 presents a lot of challenges as to how you reschedule and
54 deal with that. You know, you end up incurring overtime,
55 having people at work extra hours in order to take care of
56 these things and so on.

57 COMMISSIONER POWELL: But none of these other
58 departments sort of blend in with yours, do you move
59 people back and forth so you can get ...

60 MR. HENDERSON: There isn't, there is some commonality
61 in some of the things that we do in other departments, and
62 we certainly call upon the other departments for assistance,
63 in particular, the system planning department, who have a
64 very intimate knowledge of how the system works as well
65 as Mr. Budgell's department. They have a lot of technical
66 expertise on modelling the system. There is also people in
67 Mr. Reeves' department who have a very strong system
68 knowledge that we call upon when we have, like outages
69 on the system, and trying to determine what the problems
70 were. There is a group, a system performance group in Mr.
71 Reeves' department that provides assistance there for, you
72 know, significant technical issues. We work well as a team
73 through the Control Centre, with other departments. You
74 know, it doesn't require going through the hierarchy, if you
75 like, you know, we work quite well.

76 COMMISSIONER POWELL: Things move sideways as
77 well as up and down?

78 MR. HENDERSON: Yes.

79 COMMISSIONER POWELL: Okay, one of the things that
80 came up in Mr. Reeves' evidence, there was, we haven't ...
81 we're going to get documentation on it later on and it will
82 probably answer the question, but I'll ask you anyway.
83 There was talks that Hydro has put in a pilot executive
84 incentive plan. Does that go all the way down to yourself?

85 MR. HENDERSON: No.

86 COMMISSIONER POWELL: Even though you're the heart
87 of the organization, they never brought you in (*laughter*).
88 But a lot of the results that you produce, I would think,
89 would have an effect on some of those incentive plans,
90 because your efficiency factors, and things that you put up
91 change some numbers ... I would think it would have some
92 bearing on it.

93 MR. HENDERSON: Yes.

94 COMMISSIONER POWELL: So they always refer to you
95 as Mr. Henderson. That's all I have on that part of the
96 question. There's just a couple of things, and this is just
97 for my own information to show now how ignorant I am as

1 to how utilities operate. But there's a word that you ... well
2 yesterday in evidence you referred to the efficiency of Cat
3 Arm versus Bay d'Espoir, and you said that Cat Arm had a
4 higher head. What do you mean by that?

5 MR. HENDERSON: The different ... the height of the water
6 going into the unit, that height from, or the elevation of the
7 water to the level that the plant is is very high at Cat Arm
8 versus Bay d'Espoir. At Cat Arm we're in the vicinity of 380
9 meters, and at Bay d'Espoir it's more like 180 meters, so just
10 based on that ratio, you would expect that Cat Arm would
11 be almost twice ... use half as much water as Bay d'Espoir
12 to produce a kilowatt hour, and if you look at the
13 conversion factors, they come out close to that.

14 COMMISSIONER POWELL: So you've got to build the
15 dam higher in Bay d'Espoir.

16 MR. HENDERSON: Yeah, you'd have to have a very, very
17 high dam if you wanted to get that up up there.

18 COMMISSIONER POWELL: And on page 4 of your **pre-**
19 **filed evidence** you referred to, I think it's exciter ... E-x-c-i-t-
20 e-r-s?

21 MR. HENDERSON: Exciters.

22 COMMISSIONER POWELL: Yeah, so they're not a bunch
23 of cheerleaders. So what's an exciter, because you referred
24 to them at Bay d'Espoir and at Holyrood, so one is a
25 thermal and one is a hydro ... so what does that actually
26 do?

27 MR. HENDERSON: In simple terms, it provides the
28 magnetizing currents to a generator. If you like, you'd have
29 to get back to basic motor theory and that sort of thing, but
30 you need a magnetic field. You may be aware that there is
31 a magnetic field in a motor and the exciter provides that
32 field to the generator. In order to be able to generate you
33 need to have that excitation provided, which provides the
34 magnetizing current, and an exciter controls the voltage of
35 the unit, the output voltage.

36 COMMISSIONER POWELL: Okay, I was trying to get the
37 connection between the two types of power, if you like,
38 technical ... the other thing, I want to refer to **NP-259**.
39 There was some ... I'm having trouble getting my mind
40 around this calculation, and that's the other issue I'd like to
41 explore with you, and that's for the monthly fuel efficiency
42 factor, and I'm trying to, I can't understand why you want
43 to use net production and not gross.

44 MR. HENDERSON: Because that's the net, it's the impact
45 of the plant on the system. If the plant wasn't there. It
46 would have no impact, and what we're trying to do is
47 measure the full impact of the system, which the full impact
48 is the net. It's what the generator produces, less what the
49 generator, the plant ...

50 COMMISSIONER POWELL: Has available itself.

51 MR. HENDERSON: This is basically what it has available
52 to the system.

53 COMMISSIONER POWELL: Yeah, but I find it hard
54 though. In the calculation, trying to get the efficiency of
55 how much kilowatts you can produce from a barrel of oil,
56 you take off your own energy costs ...

57 MR. HENDERSON: Because of that production of getting
58 that energy out of the oil requires you to use energy, like
59 running motors and all of that, so that's what we're trying
60 to net those effects.

61 COMMISSIONER POWELL: But your efficiency in a barrel
62 of oil, if you had another source of energy to run your
63 plant, it wouldn't make the efficiency of what you got out
64 of a plant any greater. It may make the cost structure of the
65 plant different, especially if your source of energy was less
66 than what the burning of the oil, but the efficiency that you
67 receive, you were able to get out of a barrel of oil wouldn't
68 go up or down.

69 MR. HENDERSON: Well, you can, what you get out of a
70 barrel of oil may depend on how much you're running your
71 motors. You know, if you put more, you might ...

72 COMMISSIONER POWELL: But that has nothing to do
73 with energy that you would be consuming, though.

74 MR. HENDERSON: If you ended up running your motors
75 more, and that got you a better efficiency, you'd want to
76 balance the two out. You wouldn't want to just look, well
77 we got better efficiency and ignore all that extra energy
78 you're using in the motors. Let's say that running a motor
79 harder would get you more kilowatt hours out of a barrel.

80 COMMISSIONER POWELL: But that would be the
81 efficiency of the plant as a whole versus what the
82 efficiency of being able to get ...

83 MR. HENDERSON: What we're trying to show here is the
84 efficiency of the plant as a whole, as opposed to just the
85 generators.

86 COMMISSIONER POWELL: Okay, so this is not a fuel
87 efficiency in terms of being able to show how efficient the
88 amount of energy you can get out of a barrel of oil, because
89 as you said before, if you're running Holyrood at an 80
90 percent capacity all the time, you're a lot more efficient than
91 the ups and downs, like the ups and downs are dictated by
92 hydraulic, and you really wanted to keep it down as
93 opposed to up ... you can improve the efficiency by
94 running a motor, but then of course, everybody's costs go
95 up, so it's not a case of trying to maximize the efficiency of
96 Holyrood from a pure operational point of view. It's trying
97 to keep the least cost power.

1 MR. HENDERSON: That's, I'll say the game that we play
2 day in and day out, all year round.

3 COMMISSIONER POWELL: Yes, I can appreciate that, but
4 I find it hard to, looking at trying to measure efficiency,
5 what you're getting out of a barrel of oil versus the
6 efficiency of the total operation of the plant. I think they're
7 two different questions, and so if you have another source
8 of energy to run Holyrood, assuming that you could run it
9 with solar collectors, and that's a quantum leap, given
10 where it is, but you wouldn't have to consume any of your
11 own oil to produce electricity, but it wouldn't affect the
12 actual production, the efficiency, what you're getting in a
13 barrel of oil.

14 MR. HENDERSON: I would say it does. I mean if you put
15 in solar generators there, then what you would say, those
16 solar generators are being used to supply some other load,
17 and, you know, the electrical system is all tied together, but
18 what you're trying to do is get the net impact of the plant
19 on the system. You could take Holyrood out and still have
20 your solar energy there to meet other loads, so that really
21 doesn't, isn't a measure of your plant efficiency. You want
22 to get the net, you know, the full impact of the plant to the
23 system.

24 COMMISSIONER POWELL: Okay, so the thing I got, I
25 won't argue the point with you, but the answer is the
26 monthly fuel efficiency, but actually it's the plant efficiency.

27 MR. HENDERSON: Yes.

28 COMMISSIONER POWELL: Yes.

29 MR. HENDERSON: This is the plant efficiency.

30 COMMISSIONER POWELL: Okay, and if you went on the
31 gross, that number down below would be substantially
32 different.

33 MR. HENDERSON: It would be higher, yes.

34 COMMISSIONER POWELL: Yes, and it would affect the
35 Rate Stabilization Plan.

36 MR. HENDERSON: Well ...

37 COMMISSIONER POWELL: It will all wash itself through
38 anyway because of the costs.

39 MR. HENDERSON: If you ignored the, you know, the
40 station service, you'd have to take that into account
41 somewhere else.

42 COMMISSIONER POWELL: Yes, that's right. We
43 eventually pay for it, it's just a question of timing. That's all
44 I have, Mr. Chairman.

45 (10:15 a.m.)

46 MR. NOSEWORTHY, CHAIRMAN: Thank you,

47 Commissioner Powell. Thank you, Mr. Henderson. I'll ask
48 Commissioner Saunders to proceed with his questioning
49 please?

50 COMMISSIONER SAUNDERS: Thank you, Mr. Chair. Mr.
51 Henderson, I'm going to refer you to **RH-4**, and it's slide 10,
52 and on slide 10 you list telecommunication facilities for
53 power system operation. I think I understand all of it
54 except power line carrier. Do you want to explain how that
55 operates, how it works, and how it functions?

56 MR. HENDERSON: Power line carrier uses the wire, if you
57 like, or the conductor of the transmission line. This is the
58 wire whose primary function is to transfer power and
59 energy on the system, and you can use that wire for
60 transmitting communications signals as well. You do it at
61 a very high frequency, a higher frequency than ... we
62 transmit power at 60 hertz. You can transmit ... I'm not sure
63 of the frequencies, but it's a much higher frequency that
64 you would transmit the communications signal on the wire
65 and you have filters at the end of each of the lines that the
66 filter will allow the high frequency electrical signal to go
67 through it, but not the low frequency signal, or power,
68 which is the electricity, and so that high frequency signal
69 will go over the wire and through the filter and then into the
70 communication system.

71 COMMISSIONER SAUNDERS: How long has that
72 technology been available to you?

73 MR. HENDERSON: We've been using it since our system
74 was put together in the 1960's.

75 COMMISSIONER SAUNDERS: Okay, and have there been
76 any refinements to the system recently?

77 MR. HENDERSON: That type of system?

78 COMMISSIONER SAUNDERS: Yes.

79 MR. HENDERSON: There have been, certainly there have
80 been improvements made. The ... my understanding
81 though is that it's becoming less common, in less common
82 use. It isn't as reliable. It's subject to noise. If you ever
83 pick up a phone that's, to use voice communications on a
84 power line carrier, there's a lot of humming and it's, you
85 know, not a very efficient ...

86 COMMISSIONER SAUNDERS: It's not the preferred
87 method.

88 MR. HENDERSON: No.

89 COMMISSIONER SAUNDERS: Okay, and it uses the same
90 wire as you're using to transmit your energy?

91 MR. HENDERSON: Yes.

92 COMMISSIONER SAUNDERS: It's not a wire that's
93 wrapped around or separate from?

1 MR. HENDERSON: No, it's the exact same one.

2 COMMISSIONER SAUNDERS: Okay, that's fine on that
3 matter, Mr. Henderson. Just one other area. We spent a lot
4 of time talking about maintenance at Holyrood, and I want
5 to refer you to **RH-3**, and I think it's **RH-3**. Yes, it is. Page
6 1, at the top, Holyrood for the three years, 2000, 01, and 02.

7 MR. HENDERSON: Yes.

8 COMMISSIONER SAUNDERS: And it's \$6.5 million in
9 2000, and 7.5 in 01, and 6.3 in 02.

10 MR. HENDERSON: Yes.

11 COMMISSIONER SAUNDERS: This is dollars of
12 maintenance costs.

13 MR. HENDERSON: Right.

14 COMMISSIONER SAUNDERS: Yes, what's the age of the
15 units at Holyrood?

16 MR. HENDERSON: They are 21 years old.

17 COMMISSIONER SAUNDERS: All three?

18 MR. HENDERSON: No, I'm sorry, unit three was around
19 1980, so it would be ... I'm sorry ... I got ... my math is
20 wrong, 31 years, and then number three would be closer to
21 20 or 21 years.

22 COMMISSIONER SAUNDERS: Number three is 20 years,
23 or 21 years, you say.

24 MR. HENDERSON: Right.

25 COMMISSIONER SAUNDERS: And numbers one and
26 two?

27 MR. HENDERSON: Would be 30 or 31.

28 COMMISSIONER SAUNDERS: 30, what's the useful life,
29 if that's the measure?

30 MR. HENDERSON: I believe that the Holyrood units one
31 and two are fully depreciated.

32 COMMISSIONER SAUNDERS: Yes.

33 MR. HENDERSON: Recently at 30 years.

34 COMMISSIONER SAUNDERS: Yes.

35 MR. HENDERSON: So that would be the normal useful life,
36 but now there has been studies done, I think they're in
37 evidence, about extending the life of those units, and I
38 think there's a number of more years, I don't recall the
39 extension, but it is a good many more years of useful life
40 out of these units, and in particular, at Holyrood, I guess,
41 we ... they weren't utilized at a very high level in the early
42 years and they're certainly being utilized a lot more now, so
43 that may have led to the ability to have a longer life than
44 typical thermal units.

45 COMMISSIONER SAUNDERS: Yes, what studies
46 specifically are you now referring to?

47 MR. HENDERSON: I don't remember the RFI, and I don't
48 have it in my collection here, but there was one that was
49 done, and I think it was, I'm trying to think what the title
50 was. It was one that was performed by our engineering
51 group to look at Holyrood.

52 COMMISSIONER SAUNDERS: Yes.

53 MR. HENDERSON: And the extension ...

54 COMMISSIONER SAUNDERS: Your inhouse studies.

55 MR. HENDERSON: This was an inhouse study, and I am
56 familiar with it to the extent that I assembled the resumes of
57 all the people that were involved with that study for
58 providing to a request for information.

59 COMMISSIONER SAUNDERS: Okay, thank you, Mr.
60 Henderson. That's all I have, Mr. Chair.

61 MR. NOSEWORTHY, CHAIRMAN: Thank you,
62 Commissioner Saunders. Commissioner Whalen?

63 COMMISSIONER WHALEN: Thank you, Chair. Good
64 morning, Mr. Henderson.

65 MR. HENDERSON: Good morning.

66 COMMISSIONER WHALEN: I just have a few questions
67 actually, and unfortunately they go back to the hydrology.
68 It's been a long time since I've looked at some of my
69 hydrology textbooks, but you may be aware that I have had
70 some experience, especially with the hydrology of even
71 hydro systems in some previous life. I'm just curious about
72 Newfoundland Power's suggestion and proposal that
73 certainly seems to be coming forward in some subsequent
74 testimony that will be coming forward on the use of the 30
75 year moving average, and I'm wondering if it would be
76 possible, it seems to me that we should be able to go back
77 and look at your 50 year record and do some backwards
78 projections, if we can put it that way, if you could go back
79 and start at 1981 and provide ... I can do the spreadsheet,
80 but I think it would be better if you did it, and provide the
81 information in terms of what your, in 1981, the 30 year
82 record, the 30 year average will be a simple average, but it
83 would also be a moving average, but if you could go
84 forward and do your actual, your forecast and your actual
85 if you had used a 30 year moving average, versus your
86 simple average that you're using, just based on your total
87 record? I'd just be interested in seeing whether or not what
88 you get would have been different than what you had
89 forecasted using those two methods, just starting in 1981.
90 It's a fairly simple thing to do and ...

91 MR. HENDERSON: So just start using a 30 year average,
92 rolling average in 1981, moving forward, and you have a

1 new average every year ...

2 COMMISSIONER WHALEN: Yes.

3 MR. HENDERSON: Based on that 30 year ...

4 COMMISSIONER WHALEN: Yes, and compare it with
5 your prediction that you would have used if you were
6 using your total record, which is what you had been using,
7 I understand.

8 MR. HENDERSON: Right.

9 COMMISSIONER WHALEN: Is that something you can
10 do fairly simply for us? It's not a ...

11 MR. HENDERSON: No, that's not a ... I guess, you know,
12 we could probably have that for you when we reconvene,
13 I guess, after the two week ...

14 COMMISSIONER WHALEN: Like I said, I can do it myself.
15 I just think it would be better to come through you. As
16 well, I'm wondering if Hydro has undertaken any time
17 recently, and recently perhaps in the last five to ten years,
18 any sort of an independent or, I'm going to say external or
19 internal comprehensive review of your energy estimation
20 approach that you use in terms of how you treat your
21 hydrology data, and also whether or not you've had a look
22 at the data in any sort of a deterministic way, looking at it
23 from a trend analysis perspective or a time series analysis
24 to see if there have been any changes, any actual data set
25 that you might be able to look at the reasons for?

26 MR. HENDERSON: I know we haven't done it.

27 COMMISSIONER WHALEN: You haven't?

28 MR. HENDERSON: No.

29 COMMISSIONER WHALEN: Okay, so you haven't done,
30 looking at all the inflow data for the last 50 years, there has
31 not been an analysis of that data to look at trending or
32 impacts of weather patterns, overlaying weather patterns
33 on the data set itself?

34 MR. HENDERSON: No.

35 COMMISSIONER WHALEN: Okay, as well, do you have
36 ... I think I know the answer to this, but do you have a
37 model of your system itself that you can overlay your
38 hydrology forecast on and predict from a sensitivity
39 analysis perspective, the impact of your forecast on the
40 system operations?

41 MR. HENDERSON: Well, what we do, our model does, is
42 it models all years.

43 COMMISSIONER WHALEN: Okay.

44 MR. HENDERSON: Okay, so it doesn't look at just the
45 forecast or the average. It looks at all years and the impact
46 of all those years on our operations.

47 COMMISSIONER WHALEN: Okay, so it's ...

48 MR. HENDERSON: So what we do is we look, we take the
49 current circumstance reservoir level and project outwards,
50 assuming that any one of the 50 years, if you like, could
51 reoccur starting today.

52 COMMISSIONER WHALEN: Okay.

53 MR. HENDERSON: And how we should operate the
54 system in the coming week based on those ...

55 COMMISSIONER WHALEN: That's where your minimum
56 operating curve is generated from.

57 MR. HENDERSON: Yes, yeah.

58 COMMISSIONER WHALEN: And that minimum operating
59 curve is a moving curve?

60 MR. HENDERSON: Yes.

61 COMMISSIONER WHALEN: Okay, alright, just one other
62 question actually. If Granite Canal had been coming on
63 stream in 2002 as opposed to 2003, do you have any sense
64 of what impact that would, might have had on your, your
65 prediction for your thermal generation?

66 MR. HENDERSON: It would reduce the thermal by the
67 amount that we would expect Granite Canal to produce on
68 average.

69 COMMISSIONER WHALEN: Which would be ...

70 MR. HENDERSON: So we're, I think we were talking of a
71 number 224 gigawatt hours approximately for Granite Canal
72 average, and if it came in halfway through the year, we'd
73 have to do a split because the production wouldn't be 50
74 percent because you're coming in at the end of the run-off,
75 presumably you've got a full reservoir. You may get better
76 than half for the rest of the year. That would, however
77 much that energy turned out to be, say for argument's sake
78 it's 130 gigawatt hours, then that would be 130 gigawatt
79 hours less that we would produce at Holyrood.

80 COMMISSIONER WHALEN: So there is a direct one to
81 one there.

82 MR. HENDERSON: Yes.

83 COMMISSIONER WHALEN: Whatever Granite Canal
84 comes off the other side.

85 MR. HENDERSON: That's right.

86 COMMISSIONER WHALEN: And Granite Canal is due to
87 come on stream mid year 2003?

88 MR. HENDERSON: That's right.

89 COMMISSIONER WHALEN: Okay, I just had a question
90 noted here in terms of your forecasting as well. You said
91 yesterday that you always, you're forecasting for 2002 an

1 average year?

2 MR. HENDERSON: Yes.

3 COMMISSIONER WHALEN: I bought a snowblower
4 yesterday on the hopes that it won't be an average year.
5 Do you always forecast an average year?

6 MR. HENDERSON: We always use the forecast average
7 because like I think I've said that we don't know what's
8 going to be happening, so all we can do is assume a normal
9 ... to use, let's say a weather forecast that looks out that far,
10 I would suggest to you it's not very dependable, and so we
11 ... there are ... Environment Canada does do some kind of
12 long-term projections, but they, when we've looked at them
13 historically, there are such a large range of error, it's not
14 dependable.

15 COMMISSIONER WHALEN: I guess you anticipated my
16 next question, that's what I was going to ask you ... if you
17 do go back and look at whether or not the weather lore or
18 the fact that a wet year always follows a wet year, or a dry
19 year always follows a dry year, those kinds of things,
20 whether or not they have actually ...

21 MR. HENDERSON: We've looked at that and it just doesn't
22 happen. It's like last year was a very good year, and so far
23 this year it's been the exact opposite.

24 COMMISSIONER WHALEN: Okay, alright. Thank you,
25 Mr. Henderson. That's all I have, Chair.

26 MR. NOSEWORTHY, CHAIRMAN: Thank you,
27 Commissioner Whalen. I just have a few questions, Mr.
28 Henderson, and that will be it. First of all, you put a whole
29 new dimension on two parts hydrogen and one part oxygen
30 for me, there's no question about that. As a former Deputy
31 Minister of Municipal Affairs, I thought I had known as
32 much as I could know about water measurement in terms of
33 E-coli, Gerardia, Beaver Fever, and whatever else, but quite
34 frankly that dealt with the quality of water, and this is
35 dealing with the quantity, and I have a lot to learn in that
36 regard. I try, I guess, and break fairly complex things down
37 into simple concepts, and quite ironic, the concept that I've
38 come up with here is the scales of justice, the two scales
39 with the pans on a fulcrum at the top, and I guess Justicia
40 is the Roman goddess of justice, and she wore a blindfold,
41 and I can relate to that on the basis of this hydrology to be
42 frank with you, and but anyway, the concept that I looked
43 at here is really the scales of justice with a view to the
44 hydraulic on one side, and the thermal on the other, and
45 you, I guess, at the Control Centre, at the fulcrum at the top
46 ...

47 MS. GREENE, Q.C.: With the blindfold off (*laughter*).

48 (*10:30 a.m.*)

49 MR. NOSEWORTHY, CHAIRMAN: Pardon? Balancing

50 these two, quite frankly, and I suppose on the ... and there
51 is a conclusion that I'll reach on this. Looking at it, and Ms.
52 Butler took you through a great deal of this, and certainly
53 I don't intend to do it again, but there are a lot of variables,
54 I suppose, and assumptions in here. I'm looking at the
55 water conversion factor, and I understand what that is ...
56 converting water into the actual energy and I understand
57 to some degree how that's arrived at, but quite clearly it is
58 dependent on measurement as it relates to the average
59 historic sort of inflows and, and indeed, there was a
60 considerable debate, and certainly it's a matter that rests
61 with this Board concerning the 50 year average that you
62 use versus a 30 year average, and certainly there is some
63 considerable difference in distinction depending on the
64 assumptions again, and I think in respect of that aspect,
65 there is also consideration and debate, and certainly it has
66 an impact as well on the median versus the mean, I think, or
67 the average, and indeed, there was some consideration
68 about standard deviation and these are complex matters, no
69 question about that. Then the other aspect, another
70 variable surrounds the fishery release and there was some
71 discussion around the 25 year average that you use there,
72 and the average spill. All of these are, as I say, matters that
73 we will have to consider. On the other side, I think, of the
74 scales of justice that I refer to is the thermal, and again,
75 there are a number of assumptions that are around that.
76 Certainly the fuel conversion factor and, and the
77 discussion around the average versus the wet and the dry
78 years, that you would use a different methodology, if you
79 will, and certainly the price of fuel plays in that and I
80 believe somebody had mentioned, certainly it's in the
81 testimony that the simple two percent decrease
82 surrounding the fuel conversion factor certainly could
83 mean as much as a half a million dollars, I believe, in terms
84 of the additional costs that would be associated with the
85 system, but I think overriding these discussions in relation
86 to the different methodologies and even time horizons,
87 there doesn't seem to be a lot of information on industry
88 practices that might exist, and clearly your evidence is your
89 evidence in relation to what's before us, but looking at,
90 again, coming back to Ms. Butler's cross-examination, I
91 guess, depending on how that balance moves for every tilt,
92 if you will, that might be towards the right-hand side of
93 that, which would be the thermal side, 100 gigawatt hours
94 would add \$3.3 million to the cost. So clearly, it's a critical,
95 critical area for consideration of this Board, and I'm glad we
96 have Commissioner Whalen who has some good
97 appreciation, I think, of this issue, but certainly we will all
98 have to consider that. It's a backdrop of that, which is what
99 we have to consider, in any event, as a board. Are there
100 any directions or areas of improvement, or comments that
101 you would make that might help us in our consideration of
102 this matter. Just for example, I think ... you know, I've jotted
103 a couple of them down. I think there was a discussion,

1 there's room to move in terms of the fuel conversion factor,
2 once that becomes available at the end of the year, I think
3 that was one area that may improve the forecast. The other
4 one, I think, was a discussion around the conversion on
5 the hydro side, if you will, for revisiting this after the
6 efficiency improvements have been made to the system
7 essentially?

8 MR. HENDERSON: What we have provided is the
9 conversion factors after the improvements were made. We
10 went with the new EMS and the economic dispatch, and so
11 on, in the early nineties, so we've only used the conversion
12 factors since then. So we thought that that was a valid way
13 to go to reflect our most recent experience.

14 MR. NOSEWORTHY, CHAIRMAN: Right.

15 MR. HENDERSON: So ...

16 MR. NOSEWORTHY, CHAIRMAN: I think there was
17 discussion about more recent information in terms of the
18 upgrades that you've actually done being factored into
19 that.

20 MR. HENDERSON: The upgrades are also factored in.
21 They are part of that record. They came in over a number
22 of years, so they are having an impact on it, depending on
23 the length of time since the improvements were made, but
24 they weren't all done in one year.

25 MR. NOSEWORTHY, CHAIRMAN: Right, but I thought
26 there was a discussion around the improvement in terms of
27 the length of time bringing the upgrades into the formula
28 on a more updated basis, if you will.

29 MR. HENDERSON: The thing to do, I think, is as time goes
30 on, those conversion factors ... as we gain more experience
31 and we have greater variances in our hydraulic production,
32 those conversion factors will start to trend to a new number
33 that would be more ... the difficulty at this point in time is
34 that we don't have a lot of years since the runners were
35 replaced at Bay d'Espoir, to get a real good handle on it
36 because we've had some good years, and but those
37 particular years, because they were good water years, you
38 tend not to run your hydro quite as efficiently as you
39 would if they were not so good water years because you're
40 trying to avoid having to spill water. Once it's spilled,
41 that's the worst efficiency you can have, so during that
42 period of time there was a considerable amount of time
43 where we were just running our hydro units as hard as we
44 could to make sure we used every drop of water we could,
45 so that had a tendency to bring our conversion factors for
46 the hydro plants a little lower than they would be in a better
47 year, so there is a play in there of those factors, and
48 unfortunately we don't have a lot of years of experience
49 since the runners were replaced to get the full appreciation
50 of their impact.

51 MR. NOSEWORTHY, CHAIRMAN: Any other areas?

52 MR. HENDERSON: I can't think of any that ...

53 MR. NOSEWORTHY, CHAIRMAN: Any other focus that
54 you might put on this for the Board at this point in time, I
55 guess, and certainly there has been a lot of information
56 that's been provided and ...

57 MR. HENDERSON: I can't think of anything off the top of
58 my head. I mean the way we've done it and treated this is
59 let's get some experience so that we know what
60 improvement we're getting because it's so dependent on
61 system load and the variability of the hydrology as to how
62 your actual conversion factors at Holyrood and the
63 conversion factors for our hydro plants come out, and
64 we've struggled with this, because back in the early
65 nineties, I think I mentioned this earlier on, was that when
66 we put in the new Energy Control Centre, we had some
67 discussion at the Board about the improvements we were
68 going to get and we, I did a lot of work myself in trying to
69 determine if we can actually see the improvement, but there
70 was so many variables in there, there was no way of pulling
71 it out because we had no ... what you want to do is
72 compare performance before and after, and see the
73 improvement, but when you looked at the years before the
74 Control Centre went in versus the years after, they were so
75 totally different, the load levels were different, the
76 generation mix was different, the water conditions were
77 different, and they just threw the thing out of whack. You
78 couldn't do it, so you need a longer period of time to get a
79 good blend of wet and dry years and load variations and so
80 on to get a really good handle on it, so it's a difficult area to
81 really predict, so that's why we depended on, let's get some
82 years of experience to see, in fact, how well we do.

83 MR. NOSEWORTHY, CHAIRMAN: So there's no
84 particular additional advice or direction you can give us at
85 this point in time?

86 MR. HENDERSON: I wish I could suggest something but
87 I can't think of anything off the top of my head, I'm sorry.

88 MR. NOSEWORTHY, CHAIRMAN: Just on page 7 of your
89 **direct testimony**, it outlines there in some terms what I will
90 call sort of the protocol for the management of the system.
91 I mean you referred to the economic dispatch, and what I
92 understand from that is basically it's sort of the economic
93 loading of the operation that's done by the Control Centre
94 to a degree.

95 MR. HENDERSON: That's right.

96 MR. NOSEWORTHY, CHAIRMAN: It's how it manages
97 the system. Could you just give us, and I think Mr.
98 Kennedy refers to this as the 30,000 foot view, but could
99 you give us some idea of the protocol that actually occurs
100 within the system as to what's on stream at any given time,

1 and how the additional components, depending on load,
2 would kick in?

3 MR. HENDERSON: Okay, the, one of the first components
4 in determining how we, what generators we put on is the
5 water levels in the reservoirs.

6 MR. NOSEWORTHY, CHAIRMAN: Yes.

7 MR. HENDERSON: So the water levels in the reservoirs are
8 input into our computer program that we use, and we run
9 that every week, and it takes into account, as I was
10 explaining to Commissioner Whalen, all the different
11 hydrological sequences that we could see, and it comes up
12 with a recommendation, the program does. It tries to
13 optimize looking at thermal costs versus the hydraulic, the
14 water available, if you like, and the, and making sure that
15 we always retain enough water to meet a dry period. It
16 comes up with a recommendation for splitting our
17 generation between our different units. We use that along
18 with our engineering judgement and experience, the three
19 people, engineers in our department, and we get together
20 every week and we review this and determine a mix of our
21 hydro units for that week. What we will determine is how
22 many hours per day we will operate our different hydro
23 units. For instance, Hines Lake, we may decide to run it for
24 18 hours a day, and similarly for Upper Salmon. Cat Arm,
25 we will determine a similar type of thing, what level of
26 output or how many hours we will operate the unit, and
27 also within that mix is we will determine a level for
28 production for Holyrood.

29 MR. NOSEWORTHY, CHAIRMAN: So are these, are these
30 generally quite interchangeable, one week to the next? I
31 mean is there a real management system that goes on here?
32 Clearly Bay d'Espoir is your largest. I mean that would be,
33 I would assume, operating to some degree on a continuous
34 basis where it can. What generally would be the next areas,
35 for example, that would come into play? Are your nugs
36 always operating?

37 MR. HENDERSON: Yes.

38 MR. NOSEWORTHY, CHAIRMAN: They are ...

39 MR. HENDERSON: The nugs, we would, in our analysis,
40 almost becomes, I'll say a load modifier. It reduces the
41 amount of load that we have to supply from our generation
42 that we have control over, so nugs are running all the time.
43 The Star Lake one is pretty well always running. It's about
44 17 or 18 megawatts, 24 hours a day. The Rattle Brook one
45 is a smaller plant and it's a little more variable, but it doesn't
46 have a major impact. It's only four megawatts, and typically
47 it's probably around one and a half, or something like that,
48 so it doesn't have a major impact. Some of the things that
49 do have impact is the hydraulic conditions of our
50 customers. For instance, in particular, Deer Lake Power has

51 a large generating station and ACI in Grand Falls, they
52 have impact, so we take them into account in our model.
53 We model their hydraulic system as well. So all of those,
54 but they all were sort of treated as load modifiers and so
55 then the ...

56 MR. NOSEWORTHY, CHAIRMAN: So load modifiers, that
57 would be at the, sort of toward the end of the system, if
58 you will, in terms of calling these on?

59 MR. HENDERSON: When we look at the load that Hydro's
60 generating units has to meet, we would take away what
61 they are supplying to come up with the load that we have
62 to meet, and then we would sort of use that analysis then
63 to determine how we're going to use our generators to meet
64 what's left, and so the water levels really dictate how much
65 we produce at Holyrood, and at Holyrood we will determine
66 if we are going to run it, say at an average of 300
67 megawatts, or 400, or something like that. That will change,
68 not necessarily weekly. It really changes when we have a
69 significant rainfall event or something like that, or we see a
70 significant dry period. It will change. It won't necessarily
71 change weekly, unless we have like a storm that came
72 through St. John's a few weeks ago, if that had occurred at
73 Bay d'Espoir, that would have dramatically changed, and
74 you'd see a big shift from one week to the next.

75 MR. NOSEWORTHY, CHAIRMAN: It may very well be in
76 here. I haven't seen it. The power purchases in terms of
77 ACI, Corner Brook, and the nugs, is that contained in an
78 exhibit here?

79 MR. HENDERSON: There are a number of RFI's dealing
80 with some issues with power purchases.

81 MR. NOSEWORTHY, CHAIRMAN: Okay, okay, I'll find
82 that. Thank you. Just on page 3 of your **direct testimony**,
83 okay, line 14 where it talks about the increase of 59.6
84 percent. It says this increase is due to Hydro's experience
85 with water to energy conversion factors and the
86 implementation of the management system in '89, the
87 addition of 10 years of hydrology for that, and the
88 inclusion of Roddickton. So am I understanding that
89 correctly, that Roddickton in terms of the physical plant
90 itself would clearly add to the system but the others are a
91 matter of manipulating the factors that are concerned, and
92 the conversion factors, and the hydrological data in
93 producing that additional 60 gigawatt hours?

94 MR. HENDERSON: That's right, the, it's basically adding
95 another ten years of hydrological record or inflow record,
96 and the conversion factors that we experienced since the
97 last rate hearing, and the addition of the Roddickton mini-
98 hydro.

99 MR. NOSEWORTHY, CHAIRMAN: So it's not any
100 actually physical ... it's a matter of the data changing.

1 MR. HENDERSON: That's the net result of the data
2 change.

3 MR. NOSEWORTHY, CHAIRMAN: Runners and excitors,
4 I think Mr. ... on page 8 of your **direct testimony**, Mr.
5 Henderson, there's a reference, I think, down at the bottom
6 of the page here, the ECC staffed 24 hours, and in addition
7 to system control manages after-hours rural system
8 customer trouble, so do they actually respond to customer
9 ... I mean do they actually conduct, or are involved in
10 customer service?

11 *(10:45 a.m.)*

12 MR. HENDERSON: Yes, our 1-800 number for trouble calls
13 after hours goes into the Control Centre, and the Control
14 Centre staff will, if they get a call will call the on-call person
15 for that area and ask them to go to see to that customer.

16 MR. NOSEWORTHY, CHAIRMAN: So the rural systems,
17 this is what you're referring to, is it?

18 MR. HENDERSON: That's right, and it covers all rural
19 systems, if there is a call that came from Nain, it would
20 come into the Control Centre at night, and we would call
21 somebody, now we wouldn't get many from Nain because
22 in Nain people will call the guy, everybody in Nain knows
23 who operates the plant and they'll probably call him
24 directly.

25 MR. NOSEWORTHY, CHAIRMAN: Sure, I'm sure, yes,
26 and they're probably in part getting blamed for this
27 increase, I would think. But that's, essentially that's Mr.
28 Reeves' area, it's just that it would be a matter of facilitating
29 the customer response.

30 MR. HENDERSON: That's correct.

31 MR. NOSEWORTHY, CHAIRMAN: In that area, okay. On
32 **RH-3** and **RH-2**, just a question on reconciliation. **RH-3**
33 shows the difference, I believe, between 2001 filed and 2000
34 actual as roughly a million dollars.

35 MR. HENDERSON: Yes.

36 MR. NOSEWORTHY, CHAIRMAN: Okay, in terms of
37 system equipment maintenance. That difference is
38 showing up at \$687,000, and the description, I think, on
39 note one indicates that with regard to the hydro plant,
40 upgrades there that total the \$687,000, but it appears that
41 the actual difference based on **RH-3** is a million dollars.

42 MR. HENDERSON: I think the, I think there's confusion as
43 to what you're comparing. We're comparing in **RH-1**, I
44 think ... I have to ...

45 MR. NOSEWORTHY, CHAIRMAN: **RH-1**, it shows the
46 difference here on ... I'm looking under maintenance
47 materials, and it shows the difference between the
48 approved budget and the budget as filed of \$687,000.

49 MR. HENDERSON: That's right, that's comparing 2000 ...
50 that's two different forecasts, if you like, for 2001. The
51 other is comparing 2000.

52 MR. NOSEWORTHY, CHAIRMAN: My mistake, sorry
53 about that, yeah, okay. I thought they were apples and
54 apples. I notice there's a new Vice-President that's been
55 appointed recently. In terms of management meetings and
56 that that you would participate in, how often do they
57 generally occur?

58 MR. HENDERSON: I would have a weekly meeting with
59 Mr. Haines.

60 MR. NOSEWORTHY, CHAIRMAN: Okay, and you would
61 discuss any issues surrounding your area at that weekly
62 meeting?

63 MR. HENDERSON: Obviously, any problems arising can
64 be discussed at any time. There's a good communications
65 path there.

66 MR. NOSEWORTHY, CHAIRMAN: Okay, that's all I have.
67 Thank you very much, Mr. Henderson.

68 MR. HENDERSON: You're welcome.

69 MR. NOSEWORTHY, CHAIRMAN: It's ten to 11:00.
70 Perhaps what we could do now is break and then we'll
71 return for questions on matters arising, okay? Fifteen
72 minutes, thank you.

73 *(break)*

74 *(11:15 a.m.)*

75 MR. NOSEWORTHY, CHAIRMAN: Thank you, moving to
76 questions on matters arising, and I'll ask Newfoundland
77 Power to begin please?

78 MS. BUTLER, Q.C.: Thank you, Mr. Chairman. Mr.
79 Henderson, I only have two questions arising, and they
80 both relate to questions from the Chair himself.

81 MR. HENDERSON: Uh hum.

82 MS. BUTLER, Q.C.: The first, I believe, is in relation to a
83 report which you mentioned and which had discussed
84 Holyrood's condition.

85 MR. HENDERSON: Yes.

86 MS. BUTLER, Q.C.: And I think you'll find it at **NP-59**. I
87 don't know if it's electronically scanned. Okay, we have to
88 look at the hard copy. Mr. Henderson, the question that
89 Newfoundland Power had asked in relation to this request
90 for information was to provide copies of the report on the
91 condition surveys that were completed on Holyrood
92 thermal units one and two.

93 MR. HENDERSON: Yes.

- 1 MS. BUTLER, Q.C.: And a copy of the condition survey
2 which was completed in 1999 was attached. Is this the
3 condition survey that you mentioned in your evidence?
- 4 MR. HENDERSON: That's it.
- 5 MS. BUTLER, Q.C.: Okay, I'm corrected by my learned
6 friend here. I think it arose from a question of Mr.
7 Saunders, and not yourself, but in any event, I wonder, Mr.
8 Henderson, could you just read conclusion five?
- 9 MS. GREENE, Q.C.: Is it page 21?
- 10 MS. BUTLER, Q.C.: Yes, it is page 21.
- 11 MR. HENDERSON: Thank you. The three units in the
12 Holyrood generating station should be capable of reliable
13 operation for a period of at least 20 years if operated as
14 they have in the past. If the annual operating hours are
15 increased significantly in future years, this conservative
16 estimate of remaining useful life should be reassessed. In
17 practice, when the accumulated operating time on a unit
18 nears 200,000 hours, Hydro should implement a more
19 detailed life management extension program as has been
20 done by other utilities having mature power plants.
- 21 MS. BUTLER, Q.C.: And this report, of course, is dated
22 1999. Okay, thank you. Mr. Chairman, in relation to a
23 question that you put to Mr. Henderson, you said you
24 thought that there was some suggestion that the movement
25 of a simple two percent difference in the fuel conversion
26 factor would result in a difference of \$500,000. I just want
27 to refer, if I might, to **NP-262**, and the answer that was
28 given there, Mr. Henderson, is in fact on the screen. In this
29 particular example, it was a two percent reduction in the
30 forecast Holyrood fuel efficiency factor that we were
31 addressing, and I think the answer that was given says,
32 starting at line 7, assuming the cost of service is
33 established as per your application at \$20.00 a barrel, using
34 a 610 kilowatt hour conversion factor, the impact on 2002
35 results would be, first of all, an increase to the RSP balance
36 of approximately \$500,000, and secondly, a reduction in
37 Hydro's net income of approximately \$1.5 million, is that
38 correct?
- 39 MR. HENDERSON: That's right.
- 40 MS. BUTLER, Q.C.: I just wanted to make that reference,
41 Mr. Chairman, for a complete answer. Thank you very
42 much, and thank you, Mr. Henderson.
- 43 MR. HENDERSON: You're welcome.
- 44 MR. NOSEWORTHY, CHAIRMAN: Thank you, Ms.
45 Butler. I'll move to the Industrial Customers. Mr.
46 Hutchings, please?
- 47 MR. HUTCHINGS: Thank you, Mr. Chair. I apparently had
48 the same two notes that Ms. Butler had, so we have no
49 questions arising.
- 50 MR. NOSEWORTHY, CHAIRMAN: Thank you. Mr.
51 Browne or Mr. Fitzgerald?
- 52 MR. FITZGERALD: We have no questions arising from
53 that, Mr. Chairman, thank you.
- 54 MR. NOSEWORTHY, CHAIRMAN: Let's go back to
55 counsel?
- 56 MR. KENNEDY: Nothing arising, Chair.
- 57 MR. NOSEWORTHY, CHAIRMAN: If I had known this
58 before the break I might have been ...
- 59 MS. GREENE, Q.C.: I would have kept you after the break
60 though.
- 61 MR. NOSEWORTHY, CHAIRMAN: Pardon?
- 62 MS. GREENE, Q.C.: I would have kept you after the break.
- 63 MR. NOSEWORTHY, CHAIRMAN: On redirect?
- 64 MS. GREENE, Q.C.: I have no redirect for Mr. Henderson,
65 so that completes Mr. Henderson's testimony on behalf of
66 Hydro.
- 67 MR. NOSEWORTHY, CHAIRMAN: Thank you very much,
68 Mr. Henderson.
- 69 MR. HENDERSON: You're welcome.
- 70 MS. GREENE, Q.C.: If it's appropriate at this time, I have a
71 number of documents to file in relation to undertakings that
72 have been given since the commencement of the hearing.
- 73 MR. NOSEWORTHY, CHAIRMAN: Sure.
- 74 MS. GREENE, Q.C.: And for the first time I felt
75 disorganized with the documents because they all come in
76 (inaudible) copies here this morning, so you'll have to bear
77 with me for a moment, I don't have them in the order ... the
78 first document that I have to circulate relates to an
79 undertaking that was given during cross-examination of
80 Mr. Wells by counsel for Newfoundland Power, and the
81 undertaking is found in the transcript of September 25th at
82 page 5 where Mr. Wells undertook to provide a list of the
83 contracts where we contract out a labour component of the
84 work, so I have to distribute at this time the contracted out
85 services since 1998, and I guess this should be marked as
86 undertaking Hydro number ...
- 87 MR. KENNEDY: U-Hydro No. 5.
- 88 **U-HYDRO NO. 5 ENTERED**
- 89 MS. GREENE, Q.C.: So this is a listing of contracts where
90 Hydro has contracted out services that otherwise may have
91 been done inhouse, and what we would refer to as contract
92 services with a labour content. The next document that I
93 have to distribute relates to an undertaking that was given

1 by Mr. Wells on September 26th to the Consumer
 2 Advocate, and at that time Mr. Wells undertook to
 3 consider the suggestion of the Consumer Advocate
 4 regarding a communications campaign, and Mr. Wells
 5 undertook to consider the advisability of undertaking a
 6 communications campaign at this time on the price of No.
 7 6 fuel, its impact on rates, and the need to conserve, and
 8 what I have to file in response to that undertaking are two
 9 letters; one from Newfoundland Power signed by Mr. Philip
 10 Hughes, who is the President and Chief Executive Officer,
 11 and one from Mr. Wells, and when you ... you can see
 12 when you receive copies of the documentation that
 13 representatives of both utilities have met to consider the
 14 suggestion and while the position of each utility is set out
 15 in the letter, the conclusion with respect to the particular
 16 question is that in the opinion of both utilities, it would not
 17 be appropriate to start that communications campaign at
 18 this time, but it would be more appropriate at the
 19 conclusion of the hearing when we know the specific
 20 impact on the rates and we would be able to advise
 21 customers in that context following the hearing, but I have
 22 copies of both letters to distribute at this time. And again
 23 to mark this, I guess it could be undertaking Hydro number
 24 six.

25 MR. KENNEDY: Yes.

26 **U-HYDRO NO. 6 ENTERED**

27 MS. GREENE, Q.C.: The next document that I have to
 28 distribute relates to a request of Commissioner Saunders to
 29 Mr. Reeves, and the undertaking is found on the transcript
 30 of October 5th, and covers two pages, pages nine and ten,
 31 but it relates to the cost of fuel for vehicles split by on-road
 32 and off-road, and it also included a request to provide a
 33 sample type of report that Hydro would receive from PHH
 34 as well as a copy of a typical type of report that Mr. Reeves
 35 would receive with respect to those costs as well, so I have
 36 a copy of documentation to distribute now at this time in
 37 response to that request.

38 MR. KENNEDY: U-Hydro No. 7, counsel.

39 **U-HYDRO NO. 7 ENTERED**

40 MS. GREENE, Q.C.: The next documentation that I have to
 41 distribute relates to a request from Commissioner Saunders.
 42 Again, it was made on October 5th, and the undertaking
 43 was found on page ten, and it is covered in lines 58 to 65 of
 44 the transcript, and Commissioner Saunders asked that we
 45 provide copies of the policies relating to the use of
 46 vehicles, and I have copies of two policies to distribute at
 47 this time in response to that request, and I guess this
 48 would be undertaking number 8 for Hydro.

49 MR. KENNEDY: U-Hydro No. 8.

50 **U-HYDRO NO. 8 ENTERED**

51 MS. GREENE, Q.C.: The next undertaking relates to the
 52 calculation of the diesel fuel expense and this was a request
 53 from counsel for Newfoundland Power which is found in
 54 the transcript of October 5th at page 29, line 37 to 48, and
 55 it related to a reconciliation of the amount for diesel fuel as
 56 shown in JC Roberts Schedule No. 1, with that indicated in
 57 **NP-219**, and I have a schedule to distribute at this time in
 58 response to that undertaking.

59 MR. KENNEDY: That would be U-Hydro No. 9.

60 **U-HYDRO NO. 9 ENTERED**

61 MS. GREENE, Q.C.: The next undertaking relates to
 62 reliability centered maintenance, and this was a request
 63 from counsel for Newfoundland Power found in the
 64 transcript of October 5th, and there are a number of
 65 references at pages 30, 31, and 32 of the transcript, and
 66 Hydro was asked to provide the cost of the implementation
 67 of RCM as well as the projected savings arising from the
 68 implementation of RCM. I have a copy of a schedule to
 69 distribute at this time in response to that undertaking.

70 MR. KENNEDY: U-Hydro No. 10.

71 **U-HYDRO NO. 10 ENTERED**

72 MS. GREENE, Q.C.: That completes the documentation
 73 that I have to file in response to previous undertakings. I
 74 have one correction which isn't an undertaking but when
 75 Mr. Reeves was responding to questions from
 76 Commissioner Powell he noticed on slide eight of his
 77 presentation, that one of the lines had not been properly
 78 coloured, so I have a copy of a revised slide eight to
 79 correct that, and it was one very small line, if you will recall,
 80 so it wasn't in response to an undertaking, but I would like
 81 to file a revised slide eight to make that correction. And
 82 just to update where we are, our records would indicate
 83 that we have four items to still respond to. One is the
 84 undertaking given to Ms. Andrews on October 5th relating
 85 to the incentive plan for management. That will be
 86 circulated early next week, which would be a description of
 87 that plan. The second related to a request of the Consumer
 88 Advocate to provide an update after discussions with the
 89 Department of Municipal Affairs on the possible relocation
 90 of Harbour Deep, and that we will provide later. We would
 91 assume that the later we file it, the more relevant or more
 92 current it would be in terms of the exact plan, and we have
 93 already been in discussions with the Department of
 94 Municipal Affairs and plan to file that at a later time in the
 95 hearing. The third item relates to the 1997 actual cost of
 96 service, which will be filed in response to the information
 97 request of the Industrial Customers, IC-18, and this would
 98 be the last piece of information to satisfy the agreement
 99 reached with the Industrial Customers with respect to IC-18.
 100 That cost of service will be filed early next week. And the
 101 fourth items arises from Commissioner Whalen's request

1 this morning, so those, according to our records, would be
2 the four outstanding items. As indicated, two will be
3 addressed early next week, Harbour Deep will come later,
4 and we will also address later the request of Commissioner
5 Whalen this morning. Thank you, Mr. Chair.

6 MR. NOSEWORTHY, CHAIRMAN: Thank you, Ms.
7 Greene, very much.

8 MR. KENNEDY: Just one ... the revised sheet, just for the
9 purposes of labelling that, I was just going to label it RH
10 No. 4 (revision).

11 MS. GREENE, Q.C.: It's DWR ...

12 MR. KENNEDY: I'm sorry, DWR.

13 MS. GREENE, Q.C.: Would the number change?

14 MR. KENNEDY: It would, yeah.

15 **EXHIBIT DWR-4 (revised)**

16 MR. NOSEWORTHY, CHAIRMAN: Thank you, Counsel.
17 I guess that concludes the proceedings for today. We will
18 see those of you who are travelling to St. Anthony, I
19 guess, on Monday. For others, we are scheduled for the
20 whole group, including others, we are scheduled to
21 reconvene on October the 29th to deal with the cost of
22 capital, and we will look, I guess, probably toward the end
23 of next week for what may be on our calendar for St. John's
24 during the public participation days. It's limited right now.
25 It may expand, and we'll make a decision as to whether we'll
26 sit on those days to deal with evidence, but I think it's
27 probably only appropriate that we perhaps not revisit that
28 until the end of next week, in any event, but clearly we'll
29 have to give people sufficient notice to prepare if we are
30 going to sit on evidence at the end of that week. Would
31 Mr. Browne, if there's any updates you could give us
32 throughout even today as to what might be facing us in St.
33 Anthony, we'd appreciate that, and any additional
34 information.

35 MR. BROWNE, Q.C.: I'll work on it throughout the
36 afternoon.

37 MR. NOSEWORTHY, CHAIRMAN: Sure.

38 MR. BROWNE, Q.C.: And I just got more messages from
39 the Confederation Building there during the break that they
40 now have some names to put to presenters, and I'll pass
41 these on to the Board as soon as I have them.

42 MR. NOSEWORTHY, CHAIRMAN: Thank you very much.
43 We'll, as I said, for those, we'll see you in St. Anthony, for
44 others, we'll see you on the 29th of October if not before.
45 Thank you very much, and have a good weekend.

46 *(hearing adjourned)*