



NEWFOUNDLAND AND LABRADOR

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May 30, 2003

Maureen P. Greene, Q.C. and Geoffrey Young
Newfoundland & Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Fax No.: 737-1782

Dear Ms. Greene:

RE: Newfoundland and Labrador Hydro 2004 Capital Budget Application

Attached are Information Requests PUB -1 to PUB-26 regarding the above noted application. Please note that for convenience, I am also forwarding these requests to all parties electronically.

If you have any questions, please do not hesitate to contact Doreen Dray at 726-3037 or at ddray@pub.nf.ca.

Sincerely,

Original signed by
Cheryl Blundon
Director of Corporate Services and Board Secretary

cc Janet M Henley Andrews, (IC) Fax: 722-4565
Joseph S. Hutchings, (IC) and Fax: 709-634-8247
Gerard Hayes (Newfoundland Power) Fax: 737-2974

IN THE MATTER OF the
Public Utilities Act, (the “Act”); and

IN THE MATTER OF an Application
By Newfoundland & Labrador Hydro for
Approval of: (1) its 2004 capital budget; (2) its
2004 capital purchases, and construction projects
in excess of \$50,000 pursuant to s.41(3)(a) of the
Act; and (3) its estimated contributions in aid of
construction for 2004 pursuant to s.41(5) of the Act

Requests for Information
PUB 1 - PUB 26

May 30, 2003

Requests for Information
Hydro 2004 Capital Budget Application

- PUB-1 Ref: Direct Testimony of John Roberts, p. 1, lines 10-12. Does Hydro use a system reliability target when assessing its capital program? If so, what is the reliability target and how is that target index monitored in relation to specific capital projects as well as the capital program overall?
- PUB-2 Ref: Direct Testimony of John Roberts, p.3, lines 1-9. Does any project that meets one of the four requirements (safety, environment, reliability and cost efficiencies) automatically receive budgetary approval or is there a further analysis conducted of each project before approval is granted by the Hydro Board (e.g. is a project's approval still subject to the overall guideline detailed at p. 4, lines 1-6)?
- PUB-3 Ref: Direct Testimony of John Roberts, p.4, lines 1-4. Is the guideline detailed therein (capital program should not normally exceed cash flow from operations and be kept to the level of depreciation) used by other Canadian utilities? If so, please provide details. If not, please provide details on why Hydro uses this guideline.
- PUB-4 Ref: Direct Testimony of John Roberts, p.5, line 1 (Table). Please explain why the capital assets related to Muskrat Falls are excluded from the calculation of Hydro's regulated Rate Base.
- PUB-5 Ref: Direct Testimony of James Haynes, Eric Downtown and Kenneth McDonald, p.2, lines 9-10. Please provide details on the quantitative and qualitative aspects of the analysis used by Hydro to determine when the operating performance or excessive maintenance of specific plant equipment may indicate that it is nearing or beyond its useful life.
- PUB-6 Ref: Direct Testimony of James Haynes, Eric Downtown and Kenneth McDonald, p.2, lines 11-14. Given that Hydro, similar to many industries and specifically, similar to other Canadian utilities, has experienced problems with the obsolescence of equipment, marked by a lack of manufacturer support or unavailability of spare parts, please indicate whether Hydro has implemented any procurement policy that would mitigate this risk in the future (e.g. Does Hydro attempt to use non-proprietary technologies where available? Does Hydro utilize equipment from multiple vendors where available to avoid dependence on one vendor?)
- PUB-7 Ref: Direct Testimony of James Haynes, Eric Downtown and Kenneth McDonald, p.2, line 23-28. Has Hydro completed an analysis of the possible future impact of the Kyoto protocol on its operation at Holyrood? If so, please provide a copy of the analysis.
- PUB-8 Ref: Direct Testimony of James Haynes, Eric Downtown and Kenneth McDonald, p.4, lines 17-20. Does Hydro expect to improve operational efficiencies at the Holyrood plant as a result of its replacement/upgrade of the plant computerized control system? If so, please provide details on any analysis completed on the same.

- PUB-9 Ref: Schedule B (generally). In many of the project descriptions provided in Schedule B reference is made by Hydro of its intention to “solicit competitive bids for all materials and external labour” in order “to ensure that the project is completed at the lowest possible costs”. Please explain, in general terms, how Hydro has estimated the costs of a project given that competitive bids have yet to be obtained at the time that the project was submitted for approval.
- PUB-10 Ref: Schedule B, Project Title – Purchase/Install Ambient Monitoring System Enhancement, p. B-19. Reference is made to approval having been provided for Hydro to conduct a study to investigate technologies to reduce air emissions including particulates at Holyrood (p.B-20). Has Hydro completed this study, or is this project (improved ambient monitoring) being used to generate data for use in the study?
- PUB-11 Ref: Schedule B, Project Title – Replace Insulators, p. B-27. Does Hydro use an Infrared detector similar to one used by Newfoundland Power to help in the identification of faulty equipment, such as insulators?
- PUB-12 Ref: Schedule B, Project Title – Service Extensions, p. B-39. Please provide data on the average yearly expenditures as detailed by year for each of the years of the period selected (1998-2002).
- PUB-13 Ref: Schedule B, Project Title – Service Extensions, p. B-39. Is Hydro aware of the Dark Skies Initiative (see: <http://www.darksky.org/index.html> or <http://www.dark-skies.org/main.shtm>), and if so, has it adopted any policies to encourage end users (e.g. cities, towns and businesses) to implement improvements in the design of outdoor lighting that are consistent with DSI?
- PUB-14 Ref: Schedule B, Project Title – Upgrade Distribution Systems, p. B-41. Please provide data on the average yearly expenditures as detailed by year for each of the years of the period selected (1998-2002).
- PUB-15 Ref: Schedule B, Project Title – Insulator Replacements, p. B-45. Please provide a statement on the status of the remaining installed base of insulators, including details on the number of COB and CP insulators still in use, their current projected life span (by class) and the estimated cost of their replacement and estimated time frame to complete their replacement.
- PUB-16 Ref: Schedule B, Project Title – Replace Substation Transformer, p. B-48. Please provide a copy of the referenced report; *Economic Analysis’ Operating Load Forecast Hydro Rural Systems 2002-2007*.
- PUB-17 Ref: Schedule B, Project Title – Replace Substation Transformer, p. B-48. Has Hydro implemented any DSM initiatives or other conservation programs targeted specifically for rural customers (isolated and inter-connected)?
- PUB-18 Ref: Schedule B, Project Title – Replace Substation Transformer, p. B-48. Please provide the working calculation used to derive the figures provided in the DSM Analysis at page B-50.

- PUB-19 Ref: Schedule B, Project Title – Security Program – Secure Remote Access, p. B-64. Has Hydro considered, and if not, will it consider, using open source solutions for some of its business software application needs?
- PUB-20 Ref: Schedule B, JDE Migration Assessment Study, p. B-70. Is it known at this time whether a migration to JDE’s One World platform will have implications for the configuration of Hydro’s server technology?
- PUB-21 Ref: Schedule B, Replace VHF Mobile Radio System, p. B-71. Please provide a copy of the MOU entered in to between Hydro and WS&T referenced in the *Business Case – VHF Mobile Radio System Replacement (Technical Report, Appendix C Section 10.2, p. 26)*.
- PUB-22 Ref: Schedule B, Replace VHF Mobile Radio System, p. B-71. Has Hydro selected the third party who will provide ongoing maintenance of the system wherever located at non-Hydro sites (see *Business Case, Section 2.5, p.4*)?
- PUB-23 Ref: Schedule B, Replacement of Operational Data & Voice Network, p. B-79. Will the upgraded communications network be IP6 compliant?
- PUB-24 Ref: Schedule B, Replace VHF Mobile Radio System, p. B-71. Did Hydro explore the alternative of utilizing the VHF system operated by the RCMP/RNC (see *Business Case, Technical Report, Appendix C, Section 1, p. 2*)?
- PUB-25 Ref: Schedule B, Replace VHF Mobile Radio System, p. B-71. Reference is made in the *Business Case* (Section 5.3, p. 11) to the fact that the proposed system can be used to provide communications for CF(L)Co in the future. Has Hydro entered in any agreements or understandings with CF(L)Co regarding this future use?
- PUB-26 Ref: Schedule B, Replace VHF Mobile Radio System, p. B-71. Reference is made to discussions with Newfoundland Power concerning the latter becoming a partner in the development of the proposed system (*Business Case, Section 7.3, p.12*). Has Hydro taken in to account any design requirements of NP in the development of the VHF replacement as proposed in order to ensure that it is compatible with NP’s identified future needs?

DATED AT

St. John’s, Newfoundland and Labrador, this 30th day of May 2003.

Original signed by _____

Cheryl Blundon,
Board Secretary