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HAND DELIVERED

October 10, 2006

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: 2006 Newfoundland & Labrador Hydro General Rate Application

Please find enclosed the original and ten copies of Newfoundland Power's Requests for Information in relation to the 2006 Hydro General Rate Application.

Hydro has, to date, provided responses to approximately 60% of Newfoundland Power's Requests for Information. It is expected that further Requests for Information will be required for Newfoundland Power to gain a satisfactory understanding of the matters arising from the Application.

For convenience, the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to the parties listed below. An electronic copy in Adobe format will follow.



Join us in the fight against cancer.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours very truly,



Peter Alteen
Vice President, Regulatory Affairs
& General Counsel

Encl.

- c. Gillian Butler, Q.C., & Geoffrey Young
Newfoundland & Labrador Hydro

Thomas Johnson
O'Dea Earle Law Offices

Joseph Hutchings, Q.C.
Poole Althouse

Paul Coxworthy
Stewart McKelvey



Join us in the fight against cancer.

IN THE MATTER OF the Public
Utilities Act, R.S.N. 1990, Chapter P-47
(the “Act”), and

IN THE MATTER OF a General Rate Application
(the “Application”) by Newfoundland and Labrador Hydro
for approvals of, under Section 70 of the Act, changes
in the rates to be charged for the supply of power and
energy to Newfoundland Power, Rural Customers and
Industrial Customers; and under Section 71 of the Act,
changes in the Rules and Regulations applicable to the
supply of electricity to Rural Customers.

**Requests for Information by
Newfoundland Power Inc.**

October 10, 2006

**Requests for Information
2006 Hydro General Rate Application**

Return on Rate Base

- NP-104 NLH What is Hydro's actual capital expenditure as a percentage of budgeted capital expenditure for each year for the period 2002 to 2005? (IC-139 NLH)
- NP-105 NLH Provide the actual expenditures for 2006 capital projects as of September 30, 2006, in total dollars and as a percentage of the approved 2006 Capital Budget. If data as of September 30, 2006 is not available, provide the information requested above as of August 31, 2006. (IC-139 NLH)
- NP-106 NLH Would it be appropriate to reduce the level of capital expenditure included in the 2007 forecast rate base to reflect Hydro's historical under spending of its Capital Budget? If the answer is no, please provide reasons why not. (IC-139 NLH)
- NP-107 NLH Please provide the borrowing risk premium forecasts provided by RBC Capital Markets and/or Scotia Capital during 2005 and 2006 year to date? (IC-78 NLH)

**Requests for Information
2006 Hydro General Rate Application**

Revenue Requirement

- NP-108 NLH Explain why Hydro's accounting system cannot provide the Transmission and Distribution Department's equipment maintenance costs by function. (NP-11 NLH)
- NP-109 NLH Provide the actuarial valuation completed as of December 31, 2004. (IC-17 NLH)
- NP-110 NLH Provide a breakdown of salaries between regulated and non-regulated activities for the Executive for 2005 actual and 2006 forecast based on the format provided in response to CA-87 NLH.
- NP-111 NLH Provide the impact on Hydro's test year revenue requirement of employing the balance sheet method for preparing cash forecasts. (NP-25 NLH)
- NP-112 NLH Provide the most recent short and long range PIRA forecast of No. 6 fuel cost (\$CDN) per barrel. (Finance & Accounting Evidence, Mark Bradbury, page 5)
- NP-113 NLH Provide the number of employees by classification and location who voluntarily terminated their employment at Hydro during 2005 and 2006 year to date. (CA-139 NLH)

**Requests for Information
2006 Hydro General Rate Application**

Automatic Adjustment Formula

NP-114 NLH Confirm that it is the resultant return on rate base rather than return on equity that will determine whether a change in rates is required based on a change in the forecast return on equity. (IC-107 NLH)

**Requests for Information
2006 Hydro General Rate Application**

RSP

- NP-115 NLH Provide the change in the CFB Goose Bay revenue between 2004 test year and 2007 test year that is (i) attributable to the change in fuel price and (ii) attributable to the kWh change in CFB Goose Bay sales. (NP-54 NLH)
- NP-116 NLH Provide the non-regulated revenue related to CFB Goose Bay under the existing and proposed scenarios. (NP-55 NLH)
- NP-117 NLH Provide a comparison of the 2007 forecast revenue from CFB Goose Bay calculated using energy price A in Rate No. 5.1H and the 2007 forecast revenue from CFB Goose Bay calculated using energy price B in Rate No. 5.1H. (NP-55 NLH)
- NP-118 NLH Provide the total test year revenue forecast using the following proposed rates to Government Departments: Rates No. 1.2G, 2.1G, 2.2G, 4.1G. (Rates Evidence, page 15)
- NP-119 NLH Provide the most recent RSP Hydraulic Production Variation balance available. (NP-41 NLH, Page 2)

**Requests for Information
2006 Hydro General Rate Application**

Hydraulic

- NP-120 NLH Provide an explanation of why Hydro is unable to complete an update of the annual average hydraulic production for the year ended 2005 using the spreadsheet methodology, and as a consequence is not able to reconcile the differences as requested in IC-130 NLH.
- NP-121 NLH Provide the results of the simulated average hydraulic production for each of the ten consecutive years in a format comparing average energy by plant to the 2006 GRA forecast. (NP-35 NLH)
- NP-122 NLH Provide a probabilistic distribution of variability for the 2007 hydraulic production forecast based on intervals of 100 GWh. (Regulated Activities Evidence, page 39)
- NP-123 NLH Provide an explanation for the 74 GWh reduction (i.e., 10%) in average annual energy forecast for the Cat Arm plant from the 2003 Hydro GRA to the 2006 Hydro GRA. (NP-35 NLH)
- NP-124 NLH Provide either (i) the 2007 hydraulic production forecast using the spreadsheet method based on the most recent 30-year average or (ii) the data required in hard copy and electronic version to permit the computation of an estimate of the 2007 hydraulic production forecast based on the 30-year average method. (NP-35 NLH)
- NP-125 NLH Provide the production and spill statistics in GWh, by month and on an annual basis, for each of Hydro's hydraulic generating stations for the period 1996 to September 2006. (IC-128 NLH)
- NP-126 NLH Provide the method used to confirm the reasonableness of the 2007 Hydraulic Production forecast estimates generated from the SYSSIM model? (NP-35 NLH, Page 2, Line 5 to 7)
- NP-127 NLH Provide the details by plant of the inputs necessary to determine the plant efficiency curves and describe how plant improvements are incorporated into these curves and reflected in final forecast Hydraulic production. (NP-36 NLH, Page 1, Line 8 to 11)
- NP-128 NLH Can the simulation period be modified to reflect either the full hydraulic record or the 30-year average? (NP-36 NLH, Page 1, Line 8 to 11) If yes, provide the forecast average hydraulic production based on the most recent 30 years of data. If no, why?

**Requests for Information
2006 Hydro General Rate Application**

Rates

- NP-129 NLH Provide the forecast 2007 test year monthly base rate revenue from Newfoundland Power on a unit revenue basis (i.e., in cents per kWh). (NP-66 NLH)
- NP-130 NLH Does Mr. Greneman agree that the firm energy element of Hydro's generation planning criteria (explained on p. 28 of Regulated Activities evidence) can result in Hydro requiring plant additions solely as a result of forecast growth in customer firm energy requirements? If not, why not? (NP-79 NLH)
- NP-131 NLH Does NERA believe that in general, the upper limit to the unit cost of providing generating capacity reserves should be based on the cost of a simple cycle combustion turbine peaking unit? (NERA Marginal Cost Study)
- NP-132 NLH Are there fuel price differences between the "base case" analysis in the NERA May 2006 report (Table 2) and the Stone and Webster February 2006 report on the NP Generation Credit (Exhibit 6). (IC-60 NLH)
- NP-133 NLH In what time period is Hydro planning to "explore new interruptible options that would reward curtailable loads for operational savings" as recommended by NERA? (NP-99 NLH)

Requests for Information
2006 Hydro General Rate Application

Rural Deficit

NP-134 NLH Provide in detail the reasons for the increase in the Island Interconnected System rural deficit for each year from 2004 to forecast 2007. (NP-100 NLH)