

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

AND,

IN THE MATTER OF an Application by
Newfoundland Power Inc. for an Order pursuant to
Sections 41, 78 and 80 of the Act:

- (a) approving its 2005 Capital Budget of \$48,141,000; and
- (b) (i) fixing and determining its average rate base for 2003 in the amount of \$675,730,000;
(ii) approving its revised forecast average rate base for 2004 in the amount of \$713,072,000; and
(iii) approving its forecast average rate base for 2005 in the amount of \$740,142,000; and
- (c) approving revised values for rate base and invested capital for use in the automatic adjustment formula (the “Automatic Adjustment Formula”) for the calculation of return on rate base for 2004 pursuant to Order P.U. 19(2003).

INFORMATION REQUESTS

ENERGY SUPPLY

PUB 1.0 (RE: p. 10 & 11 of 73) Hydro Plants Facility Rehabilitation (\$1,887,000)

- PUB 1.1 In Appendix 1 (f), \$302,000, has there been a specific determination made of the estimated cost of each of the upgrades planned for the hydro plants at Lookout Brook, Lockston, Lawn and Tors Cove? If so, please provide a listing, as well as a summary of the capital costs for each of these plants for the period from 2000 to 2004F.
- PUB 1.2 In Appendix 1 (g), \$150,000, how has this amount been determined as an appropriate estimate in determining the estimated cost of refurbishing/replacing deteriorated or damaged structures and equipment?

PUB 2.0 (RE: p. 12 & 13 of 73) Wesleyville Gas Turbine Overhaul (\$1,124,000)

- PUB 2.1 Is it anticipated that there will be a difference in the overall cost of this project if the gas turbine is rebuilt or if it is replaced.
- PUB 2.2 In considering and evaluating the relocation of the unit from Salt Pond to Wesleyville was the cost of the overhaul included in the cost benefit analysis? Please provide evidence.
- PUB 2.3 Over the three year period from 1999 to 2001, on an annual basis, how many times and for how many hours has this unit been placed in operation? On an annual basis how many kWh have been produced by this unit?

PUB 3.0 (RE: p. 14, 15 & 16 of 73) Rattling Brook – Hydro Plant Refurbishment (\$350,000)

PUB 3.1 The report undertaken by SGE Acres and provided in Appendix 3, Attachment B, Recommendations (3.3, 2, 7, and 3.4) indicates that several repairs are not urgent. Is it the intention of NP to include these repairs in this project? If so, why?

PUB 3.2 In the evaluation of the replacement of the woodstave penstock and the rehabilitation of the steel surge tank, how is the risk to employee and public safety determined?

PUB 4.0 (RE: p. 17 & 18 of 73) Rebuild Substations (\$351,000)

PUB 4.1 What are the ages of the existing weather enclosures at St. John's?

PUB 4.2 What was the cost of constructing each of these existing weather enclosures?

PUB 4.3 In what year was it determined that these structures were no longer appropriately protecting the enclosed equipment?

PUB 5.0 (RE: p. 19 & 20 of 73) Replacement and Standby Substation Equipment (\$1,052,000)

PUB 5.1 Please provide a comparison for each year from 2000 to 2004F inclusive of the budgeted capital expenditures vs. the actual and graph variances. Please show separately the amount spent on Corporate Spares and Replacements.

PUB 6.0 (RE: p. 23 & 24 of 73) Protection and Monitoring Improvements (\$78,000)

PUB 6.1 What problems have been experienced at the Bay Roberts, Memorial and Gander Substations, or what problems are anticipated that would require these replacements and/or additions at this time?

PUB 6.2 How, specifically, are these replacements and/or additions expected to maintain and/or improve system protection and operating reliability?

PUB 7.0 (RE: p. 25 & 26 of 73) Distribution System Feeder Remote Control (\$1,114,000)

PUB 7.1 In 2002 the average cost per unit installed was \$43,680 (25 units). In 2003 it was \$29,125 (40 units), while in 2004 it is anticipated to be \$33,333 (30 units). The estimate for 2004 indicates that the average cost per unit will be \$55,700 (20 units). Please explain this difference.

PUB 7.2 Has NP quantified the benefit of replacing the 55 relays and the 40 reclosers that will have been replaced to the end of 2004? If so, please provide details.

PUB 7.3 Since reclosers have an expected life of 30 years, and there are approximately 160 remaining, what percentage of the remaining reclosers is 30 years old or older? What percentage is between 25 and 30 years old?

PUB 7.4 What is the expected life of the remaining electromechanical relays?

PUB 7.5 What percentage of the remaining 85 relays has reached life expectancy? What percentage is within five years of life expectancy?

PUB 8.0 (RE: p. 27 & 28 of 73) Feeder Additions due to Load Growth and Reliability (\$268,000)

PUB 8.1 In Distribution, Appendix 2, Attachment 2, the construction of the new feeder VIR-08 in Alternative #1 is described as a 12.5 kV feeder, while the feeder described on p. 27 of 73 is described as a 25 kV feeder. Please verify the size of the feeder being constructed.

TRANSMISSION

PUB 9.0 (RE: p. 29 & 30 of 73) Rebuild Transmission Lines (\$2,597,000)

PUB 9.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 9.2 Please provide for each year from 2000 to 2004F inclusive the total expenditure for each of transmission lines 11L, 43L and 124L.

PUB 9.3 Please provide for each year from 2000 to 2004F inclusive SAIDI and SAIFI rates for transmission lines 11L, 43L and 124L, along with a comparison of the rates for the system as a whole excluding planned power outages loss of supply from NLH. Please include reasons for outages.

DISTRIBUTION

PUB 10.0 (RE: p. 31 & 32 of 73) Extensions (\$6,374,000)

PUB 10.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 10.2 In each of the years from 2000 to 2004F inclusive please provide, showing a breakdown by urban and rural (providing a definition of the areas involved), of the number of customers that were added to the system.

PUB 11.0 (RE: p. 33 & 34 of 73) Meters (\$965,000)

PUB 11.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 11.2 Please provide a table showing the number of AMR meters that have been installed each year since the beginning of the program and the total currently in operation.

PUB 11.3 Of the meters taken out of the service to install AMR meters, show the number that has been re-used in each year that AMR meters have been installed.

PUB 11.4 What is the budgeted unit cost of an energy only meter?

PUB 11.5 What are the budgeted unit costs of other energy only and demand meters?

PUB 11.6 What portion of this expenditure for meters is expected to be for customer growth?

PUB 12.0 (RE: p. 35 & 36 of 73) Services (\$1,895,000)

PUB 12.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 13.0 (RE: p. 37 & 38 of 73) Street Lighting (\$1,254,000)

PUB 13.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 13.2 Of the actual expenditures for each year from 2000 to 2004F, please provide a breakdown of new additions and replacements.

PUB 14.0 (RE: p. 39 & 40 of 73) Transformers (\$5,189,000)

PUB 14.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 14.2 Of the actual expenditures for each year from 2000 to 2004F, please provide a breakdown of new additions and replacements.

PUB 15.0 (RE: p. 41 & 42 of 73) Reconstruction (\$2,825,000)

PUB 15.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 15.2 In each year from 2000 to 2004F inclusive please provide a listing of all projects in excess of \$50,000, including the total cost of the project and the reason (ie. storm damage, deterioration detected during normal inspection or in the undertaking of other work, or other) for the replacement.

PUB 15.3 For each year how many projects with an expenditure of under \$50,000 were undertaken?

PUB 16.0 (RE: p. 44 & 45 of 73) Rebuild Distribution Lines (\$4,210,000)

PUB 16.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 16.2 Please provide a listing of each of the individual projects included in this category and the budgeted cost of each project.

PUB 17.0 (RE: p. 47 & 48 of 73) Relocate/Replace Distribution Lines for Third Parties (\$734,000)

PUB 17.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please show separately the contributions in aid of construction budgeted and received in each year.

PUB 17.2 Does NP have any current information regarding projects that will be requested from third parties during the upcoming year? If so, please provide details.

PUB 18.0 (RE: p. 49 & 50 of 73) Distribution Reliability Initiative (\$872,000)

PUB 18.1 Please provide for each of the five years summarized on p. 50 of 73 the average unscheduled distribution yearly interruption statistics for feeder GBY-02 (Carmanville/Gander Bay) excluding planned interruptions and loss of supply from NLH. Please include explanations for outages.

PUB 18.2 Does NP consider this a multi-year project? If so, why does no amount appear under Future Commitments?

GENERAL PROPERTY**PUB 19.0 (RE: p. 54 & 55 of 73) Tools and Equipment (\$691,000)**

PUB 19.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 20.0 (RE: p. 56 of 73) Additions to Real Property (\$325,000)

PUB 20.1 Will the renovation of the Maintenance Centre to accommodate generation/mechanical maintenance personnel result in cost savings, particularly with regard to leased premises, to the company? If a cost benefit study was done please provide details.

TRANSPORTATION**PUB 21.0 (RE: p. 57 & 58 of 73) Purchase Vehicles and Aerial Devices (\$2,642,000)**

PUB 21.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please include the number of vehicles of each category that were planned to be and that actually were replaced.

PUB 21.2 Please provide a breakdown by vehicle category of the total budgeted amount to purchase vehicles and aerial devices.

PUB 21.3 Of the passenger vehicles to be replaced, there are seven 1999 vehicles that had less than 100,000 km. on the odometer as of the reading dates in 2004. Please provide details as to why these are being replaced at this time.

PUB 21.4 Of the heavy fleet vehicles being replaced, there is one 1994 vehicle with 63,000 km. on the odometer as of April 30, 2004. Please describe the condition of this vehicle.

INFORMATION SYSTEMS

PUB 22.0 (RE: p. 61 & 62 of 73) Application Enhancements (\$1,087,000)

PUB 22.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances.

PUB 22.2 Please provide details of the cost benefit analysis associated with improvements to line inspection systems (\$83,000).

PUB 22.3 Please provide details of the cost benefit analysis associated with improvements to the MRO inventory processes (\$108,000).

PUB 22.4 Will the purchasing of materials in bulk rather than “just in time” purchasing result in additional storage costs that have been considered in the cost benefit analysis of this project?

PUB 22.5 As the completion date for the replacement of NLH’s Energy Management System has now been extended to 2006, does there continue to be a reason to include this expenditure (\$177,000) in the 2005 Capital Budget?

PUB 22.6 Please provide details of the cost benefit analysis associated with improvements to the self-service application to include Interactive Voice Response (\$156,000).

PUB 22.7 Please provide details of the cost benefit analysis associated with improvements to Customer Service Reporting to better routing and tracking of calls (\$143,000).

PUB 22.8 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive for Various Minor Enhancements. Please include details of the actual purchases in each of those years.

PUB 23.0 (RE: p. 65 & 66 of 73) Customer Systems Replacement (\$144,000)

PUB 23.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please include details of expenditures in each year.

PUB 23.2 Please provide details of the cost benefit analysis associated with enhancing the Customer Service System.

PUB 24.0 (RE: p. 67 & 68 of 73) Network Infrastructure (\$276,000)

- PUB 24.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please include details of expenditures in each year.
- PUB 24.2 What benefits will be seen by the company with the improvement of the recovery time of data stored in the Customer Service System from twenty four hours to three hours?
- PUB 24.3 What problems has the company experienced over the past five years that have resulted in the network at the System Control Centre not being available for twenty four hours per day every day?

PUB 25.0 (RE: p. 69 & 70 of 73) Personal Computer Infrastructure (\$455,000)

- PUB 25.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please include details of expenditures in each year.

PUB 26.0 (RE: p. 71 & 72 of 73) Shared Server Infrastructure (\$571,000)

- PUB 26.1 Please provide a comparison of the budgeted and the actual expenditures for each of the years from 2000 to 2004F inclusive and graph variances. Please include details of expenditures in each year.

DATED at St. John's, Newfoundland this 7 day of September 2004.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Original signed by Cheryl Blundon
Cheryl Blundon
Board Secretary