

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 2006 Capital Budget of \$49,258,000;
and
- (b) fixing and determining its average rate base
for 2004 in the amount of \$715,111,000.

INFORMATION REQUESTS

GENERATION HYDRO

PUB 36.0

B-4 Plant Refurbishment – Petty Harbour

What items among those listed in Table B-1 of 1.2 *Petty Harbour Hydro Plant Refurbishment* are considered to be interdependent versus related?

PUB 37.0

Please provide an economic rationale supporting approval of the expenditures for the related items.

PUB 38.0

B-7 Port aux Basques Fuel Tank Replacement

Is this project being carried out to meet regulatory requirements? If not, please provide the economic rationale for why this project should be approved.

SUBSTATIONS

PUB 39.0

B-12 Replacement and Standby Substation Equipment

Please compare, including an explanation for any fluctuations that exceed 10% year over year, the budgetary allowance of \$1,023,000 for standby substation equipment with the allowance for the same item (standby substation equipment) in previous years' budgets.

PUB 40.0

B-12 Replacement and Standby Substation Equipment

What, if any, efforts has, is or will NP make to normalize the annual expenditure for this annually occurring budget item?

TRANSMISSIONS

PUB 41.0

B-22 Rebuild Transmission Lines - Re: 3.2.1 Bonavista Loop Transmission Planning

There are only two options explored in the attached economic analysis – a rebuild of 110L and 111L as planned and an upgrade of the 66kV line to 138 kV.

Why didn't NP explore the option to defer this project for 1, 2 or 5 years as a means to compare the NPVs of all options?

PUB 42.0

Is there evidence that the lines in question are in imminent peril or likely to fail in the next 12 months?

If so, what is the calculated probability of such failure?

If not, what rationale can NP provide for proceeding with this project in 2006?

DISTRIBUTION

PUB 43.0

B-25 Extensions

Per Table 2, the unit costs data for 2005F is based on total new customers of 3,771. However, the number of new customers for 2005 is given as 3,161 in Note 4 of the 2005 Capital Expenditure Status report (Appendix A p.3 of 5).

Please explain the difference.

PUB 44.0

Please provide new unit cost data for this capital item, including the unit cost data for 2005 as originally filed versus the current projected unit cost, and an explanation of the different.

PUB 45.0

Please explain why the unit costs data for 2005 as originally filed, and the unit cost data for 2005 as currently forecast appear to be approximately 30% higher than the previous 5 year average.

PUB 46.0

B-30 Services

Why is there no unit cost data for "Replacement Services"?

PUB 47.0

B-30 Services

Please explain the 10% increase in the unit cost for "New Services" from 2004 to 2005.

PUB 48.0

B-33 Street Lighting

Why is there no unit cost data for "Replacement Street Lights"?

PUB 49.0

B-38 Reconstruction

What portion of the proposed expenditure of \$2,849,000 is for labour (both internal and contractual)?

PUB 50.0

Did NP apply the GDP Deflator to the entire historical expenditures regardless of whether the expenditures were a mix of materials and labour? If so, please comment on the appropriateness of applying the GDP Deflator in this manner to generate estimates for future expenditures.

PUB 51.0

B-41 Rebuild Distribution Lines

According to Table 2 of B-41, in the past five years NP has expended approximately \$17 million on rebuilds of existing feeder lines. NP is projecting future expenditures for 2006 to 2010 at \$18.6 million.

B-45 Distribution Reliability Initiative

NP spent a total of \$7.7 million in the previous five years (2001-2005F) on replacing specific distribution lines and is projecting a total future expenditure (2006-2010) of \$7.2 million.

Accordingly, the total expenditures on distribution lines per B-41 and B-45 for the ten year period 2001 to 2010 is approximately \$50 million. This works out to \$165,562 per feeder (~\$16,600 per year per feeder) or \$6,100 per kilometer of line (~\$610 per year per kilometer of line).

Are the above numbers (~\$16,600 per year per feeder and \$610 per year per kilometer of distribution line) useful measures of the expected unit costs for this category of expenditure?

PUB 52.0

How do the figures in PUB-51.0 compare with the cost of constructing new distribution lines?

PUB 53.0

Please provide comparable numbers to those provided in PUB 51.0 for the construction of new distribution lines (B-48) showing the annual cost per kilometer and annual cost per feeder.

PUB 54.0

B-43 Relocate Distribution Lines for Third Parties

Please provide the proposed capital expenditure for 2006 Net of the contributions expected from the customers making the requests.

GENERAL PROPERTY

Information Systems

PUB 55.0

Please provide the total capital expenditures proposed for 2006 which are directly related to making improvements and enhancements to NP's Customer Service System.

PUB 56.0

Has the status of the expected migration of the CSS from OpenVMS (discussed at p 15 of the 2006 Capital Budget Plan) changed?

PUB 57.0

Under the status as currently understood by NP, when will the Company need to seek approval for the migration of the CSS?

LEASES

PUB 58.0

C-2 Production Printers

Has NP conducted a lease versus purchase analysis, and if so, why is it not included as part of the justification for the project?

DATED at St. John's, Newfoundland this 7th day of September 2005.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Original signed by
G. Cheryl Blundon
Board Secretary