



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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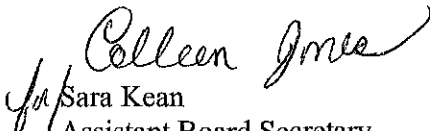
Dear Mr. Connors:

Re: Rate Mitigation Options and Impacts Reference - Information Requests

Attached are Information Requests PUB-Nalcor-129 to PUB-Nalcor-186 issued by the Board in relation to the above subject matter. Responses to these requests must be filed by 3:00 p.m. on Friday, May 3, 2019.

If you have any questions or require any clarification, please do not hesitate to contact the undersigned.

Sincerely,


Sara Kean
Assistant Board Secretary

SK/bt

Enclosure

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**Reference from the Lieutenant-Governor in Council
On the Rate Mitigation Options and Impacts
Relating to the Muskrat Falls Project**

INFORMATION REQUESTS

- 1 **PUB-Nalcor-129** Please provide copies of the maps with the following information:
2
3 (i) Provincial Distribution (Newfoundland) - showing residential
4 territories for each office, including staffing, feeder lengths, and
5 numbers of customers.
6
7 (ii) Communities served by Newfoundland Hydro's Interconnected and
8 Diesel Systems
9
10 (iii) Diesel Generation (Newfoundland) – showing the locations of diesel
11 plants, kW sizes, numbers of customers served, and the personnel for
12 each diesel location.
13
14 (iv) Provincial Distribution (Labrador) - showing residential territories
15 for each office, including staffing, feeder lengths, and numbers of
16 customers.
17
18 (v) Diesel Generation (Labrador) – showing the locations of diesel
19 plants, kW sizes, numbers of customers served, and the personnel
20 assigned for each diesel location.
21
22 (vi) Power Supply – showing Nalcor Power Supply transmission lines
23 and personnel located at each Power Supply office.
24
25 (vii) Provincial Generation and Transmission Grid – showing all
26 transmission lines and generation in Newfoundland and Labrador.
27
28 (viii) Newfoundland Hydro Transmission (Newfoundland) - showing
29 Newfoundland Hydro transmission lines, voltages, and lengths, and
30 field transmission personnel, for each Regional office.
31
32 (ix) Newfoundland Hydro Transmission (Labrador) – showing
33 Newfoundland Hydro operated/maintained transmission lines in
34 Labrador.

- 1 (x) Emera Transmission – showing Emera-owned transmission lines.
 2
 3 **PUB-Nalcor-130** Please provide the O&M budgets for 2019 to 2023 for Newfoundland
 4 Hydro’s Transmission System.
 5
 6 **PUB-Nalcor-131** Please provide the O&M budgets for 2019 to 2023 for Nalcor Power
 7 Supply’s Transmission System.
 8
 9 **PUB-Nalcor-132** Please provide the Capital budgets for 2019 to 2023 for Nalcor Power
 10 Supply’s Transmission System.
 11
 12 **PUB-Nalcor-133** Please provide the O&M budgets for 2019 to 2023 for Newfoundland
 13 Hydro’s Interconnected Distribution Systems, by Region.
 14
 15 **PUB-Nalcor-134** Please provide the O&M budgets for 2019 to 2023 for Newfoundland
 16 Hydro’s Diesel Plants systems, by Region.
 17
 18 **PUB-Nalcor-135** Please provide the O&M budgets for 2019 to 2023 for Newfoundland
 19 Hydro’s hydroelectric and combustion turbine plants, by Region.
 20
 21 **PUB-Nalcor-136** Please provide a copy of the following process procedures for
 22 Newfoundland Hydro’s hydro facilities:
 23 a. Work Management
 24 b. Maintenance
 25 c. Operations
 26
 27 **PUB-Nalcor-137** Please provide a description of the software suites used for Work
 28 Management, Maintenance, Inventory Control, Procurement, and Invoicing
 29 at Newfoundland Hydro’s facilities.
 30
 31 **PUB-Nalcor-138** Please provide by plant the O&M budgets for 2019 to 2023 for
 32 Newfoundland Hydro and for the Nalcor Power Supply production
 33 organization.
 34
 35 **PUB-Nalcor-139** Please provide by plant and by major expense category for 2019 to 2023 the
 36 capital budgets for Newfoundland Hydro and Nalcor Power Supply
 37 production organization.
 38
 39 **PUB-Nalcor-140** Please provide a description of the process by which Nalcor Energy was
 40 restructured in 2016, which resulted in the segregation of Newfoundland
 41 Hydro and Nalcor Power Supply. Please provide the change at that point, if
 42 any, in total FTEs post-restructuring, as well as the change in FTEs for any
 43 Newfoundland Hydro Business Unit.
 44
 45 **PUB-Nalcor-141** Please identify where staff/FTE increases have occurred since the
 46 organizational restructuring.

- 1 **PUB-Nalcor-142** Please provide the average fully loaded costs for pay grades 1 – 11, Vice
2 President, Senior Vice President and Executive Vice President, as well as
3 those for union groups 1 – 14.
4
- 5 **PUB-Nalcor-143** Please provide the most recent Newfoundland Hydro forecasted income
6 statements, balance sheets, cash flow statements, and revenue requirements
7 for 2019 to 2039 and provide the supporting information and calculations
8 for each key component that drive the earnings and dividends:
9 a. Energy sales/load forecasts
10 b. Assumptions on price/MWh on energy sales component
11 c. Capital structure assumptions
12 d. Costs of equity and debt capital
13 e. Operating and maintenance expenses
14 f. Other major expense categories
15 g. Calculations of Newfoundland Hydro returns and dividends
16
- 17 **PUB-Nalcor-144** Please provide the most recent Churchill Falls forecasted income
18 statements, balance sheets, cash flow statements, and revenue requirements
19 for 2019 to 2039 and provide sensitivity or scenario analysis on the major
20 components identified, prepared by the company or consultants.
21 a. Energy sales to Hydro Quebec, Newfoundland Hydro, other
22 b. Assumptions on price/MWh on energy sales component
23 c. Capital structure assumptions
24 d. Costs of equity and debt capital
25 e. Operating and maintenance expenses
26 f. Other major expense categories
27 g. Calculations of Churchill Falls returns and dividends
28
- 29 **PUB-Nalcor-145** Please provide a list of all engineering firms and/or contracted engineering
30 employees, by function, used during 2018 by Newfoundland Hydro's
31 Engineering Services organization.
32
- 33 **PUB-Nalcor-146** Please describe the process that leads Newfoundland Hydro management to
34 identify the need when to hire an engineering firm or an engineering
35 contractor for its Engineering Services organization.
36
- 37 **PUB-Nalcor-147** Please provide any internal studies that compare contracted engineering cost
38 versus internal FTE engineering cost, for similar functions, for
39 Newfoundland Hydro's Engineering Services organization.
40
- 41 **PUB-Nalcor-148** Please provide a list of all contractors and/or contract employees, by
42 function, used during 2018 by Nalcor Power Supply Engineering
43 organization.

- 1 **PUB-Nalcor-149** Please provide any internal studies that compare contracted engineering cost
2 versus FTE engineering cost, for similar functions, for Nalcor Power
3 Supply's Engineering organization.
4
- 5 **PUB-Nalcor-150** Please provide a list of all contractors and/or contract employees, by
6 function, used during 2018 by all departments within all of Newfoundland
7 Hydro's transmission and rural operations ("TRO") organization.
8
- 9 **PUB-Nalcor-151** Please provide any internal studies that compare contracted cost versus FTE
10 cost, for similar functions, for the various TRO organizations.
11
- 12 **PUB-Nalcor-152** Please provide tables indicating the capital budgets for (1) Rural
13 Distribution and (2) Diesel Plants for each year from 2019 to 2023. Please
14 provide the justification used to plan each capital project, with start dates,
15 for that time period.
16
- 17 **PUB-Nalcor-153** Please provide a table indicating the capital budgets for Newfoundland
18 Hydro transmission line projects for each year from 2019 to 2023. Please
19 provide the justification used to plan each capital project, with start dates,
20 for that time period.
21
- 22 **PUB-Nalcor-154** Please provide a table indicating the capital budgets for Newfoundland
23 Hydro terminal station projects for each year from 2019 to 2023. Please
24 provide the justification used to plan each capital project, with start dates,
25 for that time period.
26
- 27 **PUB-Nalcor-155** Please provide the kilometers of Newfoundland Hydro transmission lines,
28 by voltage.
29
- 30 **PUB-Nalcor-156** Please provide the numbers of Newfoundland Hydro transmission lines, by
31 voltage levels.
32
- 33 **PUB-Nalcor-157** Please provide the number of Newfoundland Hydro terminal stations by
34 voltage levels.
35
- 36 **PUB-Nalcor-158** Please provide the numbers of terminal stations that supply distribution
37 voltages to Newfoundland Hydro's rural interconnected distribution
38 system.
39
- 40 **PUB-Nalcor-159** Please provide the numbers of distribution substations by TRO Region.
41
- 42 **PUB-Nalcor-160** Please provide the numbers of distribution circuits, by voltage levels, within
43 the interconnected distribution systems in each of the TRO Regions.

- 1 **PUB-Nalcor-161** Please provide the numbers of isolated diesel plant distribution systems
2 within each of the TRO Regions. Also, please indicate the location of each
3 diesel plant, and the number of diesel-generating units in each plant, by
4 voltage and kW size.
5
- 6 **PUB-Nalcor-162** Please provide tables that indicate SAIFI, CAIDI, and SAIDI for 2016,
7 2017, and 2018 for (1) transmission system, (2) the interconnected
8 distribution system, by TRO Region, and (3) each of the isolated diesel plant
9 systems for Newfoundland Hydro (major event day excluded – planned
10 outages excluded).
11
- 12 **PUB-Nalcor-163** Please provide tables that indicate SAIFI, CAIDI, and SAIDI for 2016,
13 2017, and 2018 for (1) transmission system, (2) the interconnected
14 distribution system, by TRO Region, and (3) each of the isolated diesel plant
15 systems for Newfoundland Hydro (major event day included – planned
16 outages excluded).
17
- 18 **PUB-Nalcor-164** Please provide tables that indicate SAIFI, CAIDI, and SAIDI for 2016,
19 2017, and 2018 for (1) transmission system, (2) the interconnected
20 distribution system, by TRO Region, and (3) each of the isolated diesel plant
21 systems for Newfoundland Hydro (planned outage caused only).
22
- 23 **PUB-Nalcor-165** Please provide any update(s) to, or additional reviews similar to, Deloitte's
24 2012 Nalcor Intercompany Review Final Report.
25
- 26 **PUB-Nalcor-166** Please provide any updates to the 2017 Transaction Costing Guidelines
27 and/or describe any anticipated changes to those guidelines upon
28 commercial operation of the Muskrat Falls Project.
29
- 30 **PUB-Nalcor-167** Please provide any Service Level Agreements and/or service level metrics
31 among Nalcor entities.
32
- 33 **PUB-Nalcor-168** Please provide any internal studies that evaluate or compare shared service
34 functions and costs versus external service providers.
35
- 36 **PUB-Nalcor-169** Please provide a list of third-party service providers for Newfoundland
37 Hydro, Nalcor Power Supply, and Finance for corporate functions (e.g.
38 Information Technology, Human Resources, payroll, and legal) that have
39 charges above \$1 million per year.
40
- 41 **PUB-Nalcor-170** Please identify to what level of detail, and for which functions/jobs, data
42 regarding productive and non-productive labor hours, both straight-time
43 and overtime, are available for job functions within Newfoundland Hydro
44 and Nalcor Power Supply.

- 1 **PUB-Nalcor-171** Please provide budget and actuals (2018) for contractor staff by line of
2 business and at the lowest organization level practical.
3
- 4 **PUB-Nalcor-172** Please provide budget and actuals (2018) by line of business for fleet (non-
5 labor) costs (e.g., work/crew vehicles, passenger vehicles, machine
6 equipment).
7
- 8 **PUB-Nalcor-173** Please provide facilities costs by line of business (e.g., lease costs, utilities,
9 communications, etc.).
10
- 11 **PUB-Nalcor-174** Please provide the following information for Muskrat Falls:
12 a. A study of original O&M costs versus projected
13 b. A listing of all contractors anticipated to be used in the future and
14 the tasks they will perform
15 c. The asset management plan for the site
16 d. Any studies that were performed to analyze O&M expenses
17 e. Any preventative maintenance programs developed for the plant
18 f. A copy of the plants work management process
19 g. A copy of any maintenance metrics projected to be monitored
20 including preventative maintenance (“PMs”), corrective
21 maintenance (“CMs”), schedule adherence statistics.
22 h. The forecast overtime statistics for operations and the maintenance
23 staff now and projected
24 i. A copy of any significant maintenance contracts in place or projected
25 j. A copy of any cost benchmarking studies performed
26
- 27 **PUB-Nalcor-175** Please provide the following for the Labrador Island Link (“LIL”) and the
28 Labrador Transmission Assets (“LTA”):
29 a. Any benchmark studies performed to analyze costs
30 b. A copy of any detailed contingent work orders developed to replace
31 major components if needed such as breaker replacements or
32 transformer replacements
33 c. A copy of maintenance contracts used or anticipated to be used for
34 the assets
35 d. Any analysis conducted to reconcile the original maintenance cost
36 projections for the assets versus the current projections
37 e. Any original equipment manufactured (“OEM”) or long-term
38 maintenance contracts contemplated
39 f. The current capital budgets for the assets for the next three years
40 versus original projections
41 g. A description and cost of major O&M and capital projects
42 anticipated for the next three years

- 1 **PUB-Nalcor-176** Please provide the following information relating to Information
 2 Technology:
 3 a. 2018 and 2019 Budgets, and 2018 Actual for Capital and O&M
 4 b. Resources (internal and external) by major categories for the most
 5 recent year available, noting any significant planned future changes
 6 c. Describe the major systems, platforms, services used by each of the
 7 different “clients”
 8 d. Please gauge (billings or allocations by category will work, for
 9 example) how you measure each Nalcor Energy/ Newfoundland
 10 Hydro client entity’s share of usage from IT’s work
 11 e. Budgets and forecasts of costs by major category
 12 f. Descriptions of organizations, resources, methods to integrate
 13 Information Technology/Operations Technology (“IT/OT”) threat
 14 identification, mitigation, response and remediation
 15
- 16 **PUB-Nalcor-177** Please provide a copy of the report dated April 2, 2019 on “Nalcor Energy
 17 Marketing Activities Conducted in 2018 on Behalf of Newfoundland and
 18 Labrador Hydro”.
- 19
- 20 **PUB-Nalcor-178** Further to the response to PUB-Nalcor-008, page 3 of 12, lines 5-7, please
 21 provide support for the statement that “This stand-alone entity has become
 22 a common Canadian market structure approach....” In the response please
 23 provide details on all Canadian utilities that have established an energy
 24 marketing organization separately from the regulated utility to buy and sell
 25 capacity and energy by and for the utility and that performs the same
 26 functions as Nalcor Energy Marketing as described in the report provided in
 27 the response to PUB-Nalcor-177.
 28
- 29 **PUB-Nalcor-179** Further to the response to PUB-Nalcor-008, page 3 of 12, lines 1-10, please
 30 explain in detail how the creation of Nalcor Energy Marketing Activities: 1)
 31 shields Nalcor Energy from the risk of becoming a taxable entity in the US
 32 and 2) assists in protecting commercially sensitive information.
 33
- 34 **PUB-Nalcor-180** Please provide the organization structures for Nalcor Energy’s Chief
 35 Financial Officer (“CFO”), including organization charts, titles,
 36 management personnel and number of employees for:
 37 a. Prior to 2014
 38 b. 2015 and 2016 (splitting off Newfoundland Hydro)
 39 c. 2017 with new Nalcor Power Supply organization
 40 d. Current
 41
- 42 **PUB-Nalcor-181** Please provide the “Long Term Asset Management Plan” prepared for
 43 Churchill Falls in 2012.

- 1 **PUB-Nalcor-182** Please provide descriptions of current efforts to update the “Long Term
2 Asset Management Plan”, the goals and objectives of such an effort, and
3 expected results.
4
- 5 **PUB-Nalcor-183** Please provide each category and dollar amounts of taxes paid by Churchill
6 Falls, to whom, the purpose of the taxes and when such taxes were initiated.
7
- 8 **PUB-Nalcor-184** Please provide the “rental royalty” dollar amounts paid by Churchill Falls
9 to the Province, the purpose of the royalty and when it was initiated.
10
- 11 **PUB-Nalcor-185** Please provide the “Water Power Rental” dollar amounts to be paid by
12 Muskrat Falls to the Province, the purpose of the rental and a copy of the
13 Water Lease Agreement with the Province.
14
- 15 **PUB-Nalcor-186** Please provide the “IBA agreement” dollar amounts to be paid by Muskrat
16 Falls, the purpose of the payment and a copy of the IBA agreement.

DATED at St. John’s, Newfoundland this 12th day of April, 2019.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per *Sara Kean*
Sara Kean
Assistant Board Secretary