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September 23, 2019

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**Via Electronic Mail**

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

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

Dear Ms. Blundon:

**Re: Requests for Information of the Island Industrial Customers Group**

Further to the above, enclosed please find the Island Industrial Customers Group Requests for Information IC-NLH-001 to IC-NLH-023 dated September 23, 2019.

We trust this is in order.

Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/tas

**Enclosures**

c: Shirley Walsh, Senior Legal Council- Regulatory, Newfoundland & Labrador Hydro  
Dennis M. Browne, Q.C., Consumer Advocate  
Kelly Hopkins, Newfoundland Power Inc.  
Senwung Luk, Olthuis, Kleer, Townshend LLP

1 **IN THE MATTER OF** the *Public Utilities Act*  
2 (the "Act"); and

3 **IN THE MATTER OF** an Application  
4 by Newfoundland and Labrador Hydro  
5 for an Order approving (1) its 2021  
6 Capital Budget pursuant to s. 41(1) of  
7 the Act; (2) its 2021 capital purchases  
8 and construction projects in excess of  
9 \$50,000.00 pursuant to s.41(3)(a) of  
10 the Act; (3) its estimated contributions  
11 in aid of construction for 2021  
12 pursuant to s.41(5) of the Act; and (4)  
13 for an order pursuant to s. 78 of the  
14 Act fixing and Determining its Average  
15 Rate Base for 2017 and 2018.

16

17 **REQUESTS FOR INFORMATION OF THE**  
18 **ISLAND INDUSTRIAL CUSTOMERS GROUP**

19 IC-NLH-001 – IC-NLH-023

20 ISSUED SEPTEMBER 23<sup>rd</sup>, 2020

21 **Specifically Assigned Assets**

22 IC-NLH-001 With reference to Section 3.1 Specifically Assigned Assets, at page 4 of 2019  
23 Capital Projects Overview, and Hydro's DGA equipment on Come By Chance  
24 Transformers T1 and T2, what is the amount of this capital expenditure proposed  
25 to be specifically assigned to NARL Refining Limited Partnership arising from this  
26 project?

27 IC-NLH-002 At this time, is Hydro aware of any other new projects within or outside its five-year  
28 plan (ie any projects other than the Come-By-Chance T1 and T2 DGA project  
29 identified in the 2019 Capital Budget Application and the planned 2024  
30 replacement of the neutral bushings in Come-By-Chance T1 and T2) that will be  
31 proposed to be specifically assigned to any member of the Island Industrial  
32 Customer Group, NARL Refining Limited Partnership, Corner Brook Pulp & Paper  
33 Limited or Vale Newfoundland and Labrador Limited?

34 IC-NLH-003 **Project - Upgrade Waste Water Equalization System – Holyrood:** Hydro has  
35 advised that the waste water equalization system will still be needed "post-  
36 steam". Will there be any change in how the system is utilized post-steam and if  
37 so, please identify and explain all those changes.

38

39

- 1 **IC-NLH-004 Project - Upgrade Waste Water Equalization System – Holyrood:** Will the  
2 waste water equalization system still need to process the same volume of  
3 effluent during post-steam operations? Will the two large concrete basins, as  
4 used for present operations, still be needed for post-steam operations?  
5
- 6 **IC-NLH-005 Project - Upgrade Waste Water Equalization System – Holyrood:** If Hydro  
7 were to replace the waste water facility with a facility tailored to post-steam  
8 operations only, would the cost of such a system be less than what Hydro has  
9 proposed in this Application?  
10
- 11 **IC-NLN-006 Project - Upgrade Waste Water Equalization System – Holyrood:** Hydro  
12 states, in its Evaluation of the Deferral Alternative in Section 4.2.1 that “Upgrades  
13 to the waste water equalization system are necessary to eliminate safety hazards  
14 and ensure that the effluent is properly treated and disposed of in accordance  
15 with environmental requirements.” In the Section 3.0 Justification, Hydro refers to  
16 “corroded structural steel members” as one of the safety issues (along with  
17 “mold”). Has Hydro obtained an engineering assessment of these structural  
18 members and what degree of risk of structural failure is raised by the corrosion?  
19
- 20 **IC-NLH-007 Project - Upgrade Waste Water Equalization System – Holyrood:**The Bio-  
21 aerosol Assessment (Attachment 2) recommends “All materials in the affected  
22 areas need to be cleaned with a disinfecting solution. Any materials that cannot  
23 be cleaned should be removed” and not wholesale replacement of the building.  
24 Has Hydro assessed the cost of proceeding in accordance with this  
25 recommendation?  
26
- 27 **IC-NLH-008 Project - Upgrade Waste Water Equalization System – Holyrood:**With  
28 reference to IC-NLH-007, if the Bio-aerosol Assessment recommendation were  
29 to be followed, could the mechanical systems issues also raised as a justification  
30 for this project be addressed without wholesale replacement of the building? If  
31 yes, then has Hydro assessed the cost of addressing the mechanical systems  
32 issues in such a manner?  
33
- 34 **IC-NLH-009 Project - Upgrade Waste Water Equalization System – Holyrood:** Is Hydro in  
35 violation of its Department of Municipal Affairs and Environment Certificate of  
36 Approval (Attachment 1)? If Hydro considers itself to be in violation, please  
37 provide in detail the evidence and rationale supporting the violation.  
38
- 39 **IC-NLH-010 Project - Upgrade Waste Water Equalization System – Holyrood:** How  
40 frequently are Hydro or other personnel required to enter the facility such as to

- 1 be exposed to the mold? If there is a log of such entries please provide a  
 2 complete copy of same, from at least 2014 (when Hydro states this project was  
 3 first contemplated).
- 4
- 5 **IC-NLH-011 Project - Upgrade Waste Water Equalization System – Holyrood:** Please  
 6 explain in detail how safety concerns (mold, corrosion) have been addressed or  
 7 mitigated, since at least 2014 (when Hydro states this project was first  
 8 contemplated), when Hydro or other personnel are required to enter the facility?
- 9 **IC-NLH-012** With reference to Hydro’s Prioritization Matrix Template & Explanatory  
 10 Information (Attachment 1, Hydro correspondence to the Board dated September  
 11 21, 2020), please provide the source(s) for the matrix template model used by  
 12 Hydro, including for the 14 scoring categories and the scoring ratings under each  
 13 category. For example, under the scoring category “# Customers” impacted,  
 14 please provide the source(s) and rationale for assigning 50 to < 10,000 and 70 to  
 15 >10,000.
- 16 **IC-NLH-013** With reference to Hydro’s Prioritization Matrix Template & Explanatory  
 17 Information (Attachment 1), the materials provided do not appear to illustrate how  
 18 impact/ probability and impact/confidence level are factored into the scoring for  
 19 each of the 14 scoring categories. Please explain how these factors are  
 20 assessed, weighted, and factored into the prioritization matrix, and provide an  
 21 illustrative example.
- 22
- 23 **IC-NLH-014 Project - Upgrade Waste Water Equalization System – Holyrood:** With  
 24 reference Table A-1 2021 Project Prioritization (2021 Capital Projects Overview  
 25 Appendix A), please explain in detail how and why this project was assigned a  
 26 rank of 4, while Overhaul Unit 3 Generator – Holyrood, Overhaul Unit 3  
 27 Generator – Holyrood, Boiler Condition Assessment and Miscellaneous  
 28 Upgrades – Holyrood, and Inspect Chemical Tanks\_ Holyrood, were all ranked  
 29 lower. In providing such detailed explanation, please provide complete copies of  
 30 all internal Hydro work product (the completed prioritization matrix templates;  
 31 prioritization scoring by Asset Planners; reports; memoranda; emails) , and of  
 32 the work product of any external consultants, documenting the project  
 33 prioritization process in relation to the foregoing projects, and please reconcile  
 34 such explanation with the “two-pronged approach to prioritizing capital  
 35 investments” summarized at page 14 of the September 16, 2020 presentation to  
 36 the Board.
- 37
- 38 **IC-NLH-015 Refurbish Ebbegunbaeg Control Structure:** Please explain in detail how and  
 39 why this project was assigned a rank of 19. In providing such detailed  
 40 explanation, please provide complete copies of all internal Hydro work product  
 41 (the completed prioritization matrix templates; prioritization scoring by Asset  
 42 Planners; reports; memoranda; emails) , and of the work product of any external

1 consultants, documenting the project prioritization process in relation to the  
 2 foregoing project, and please reconcile such explanation with the “two-pronged  
 3 approach to prioritizing capital investments” summarized at page 14 of the  
 4 September 16, 2020 presentation to the Board.

5

6 **IC-NLH-016 Hydraulic Refurbishment and Modernization:** This project groups a number of  
 7 different projects at different hydraulic facility sites. Please explain, in detail, the  
 8 rationale for grouping together the Refurbish Generator Stator Project - Bay  
 9 D’Espoir Unit 6 (which will cost \$9,160,900 over 2021-2022, representing the  
 10 great preponderance of the capital expenditures being proposed for approval  
 11 within the grouped “Hydraulic Refurbishment and Modernization” projects) with  
 12 the following projects: Salmon River Spillway Level 2 Condition Assessment  
 13 (\$556,800), the Hinds Lake Frazil Monitoring System (\$199,500), Paradise River  
 14 Penstock/Rock Tunnel Level 2 Condition Assessment (\$196,800) and Upgrade  
 15 Public Safety Around Dams – Hinds Lake and Paradise River (\$436,300). In  
 16 providing such explanation, please explain why the Refurbish Ebbegunbaeg  
 17 Control Structure project was not similarly grouped as Hydraulic Refurbishment  
 18 and Modernization.

19

20 **IC-NLH-017 Table A-1: 2021 Project Prioritization:** Please explain why Salmon River  
 21 Spillway Level 2 Condition Assessment (\$556,800), the Hinds Lake Frazil  
 22 Monitoring System (\$199,500), Paradise River Penstock/Rock Tunnel Level 2  
 23 Condition Assessment (\$196,800) and Upgrade Public Safety Around Dams –  
 24 Hinds Lake and Paradise River (\$436,300) projects are assigned a Rank of  
 25 “2” (as part of the Hydraulic Refurbishment and Modernization) but the Refurbish  
 26 Ebbegunbaeg Control Structure project is assigned a Rank of “19”. In providing  
 27 such explanation, please address the weight attached to the fact that, for  
 28 example, the Paradise River project relates to a facility which provides 8 MW of  
 29 generation capacity, but Ebbegunbaeg Control Structure relates to a facility (Bay  
 30 D’Espoir) which provides 613.4 MW.

31

32 **IC-NLH-018 Table A-1: 2021 Project Prioritization:** Would the Salmon River Spillway Level  
 33 2 Condition Assessment (\$556,800), the Hinds Lake Frazil Monitoring System  
 34 (\$199,500), Paradise River Penstock/Rock Tunnel Level 2 Condition Assessment  
 35 (\$196,800) and Upgrade Public Safety Around Dams – Hinds Lake and Paradise  
 36 River (\$436,300) projects be assigned Ranks of “2”, if ranked as individual,  
 37 standalone projects?

38

39 **IC-NLH-019 Upgrade Public Safety Around Dams – Hinds Lake and Paradise River:**  
 40 Please provide evidence of the numbers of members of the public (ie persons  
 41 other than employees or contractors of Hydro or Nalcor) who, annually, come

1 within sufficient proximity of these facilities to be at risk, and please detail the risk  
2 to which those persons were exposed.

3  
4 **IC-NLH-020 Upgrade Public Safety Around Dams – Hinds Lake and Paradise River:**  
5 Please explain why a public information program, aimed at those groups who  
6 might come into proximity to such facilities, would not provide a sufficient  
7 assurance of public safety.

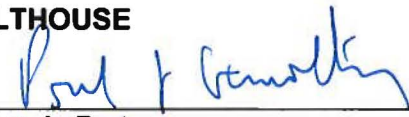

8  
9 **IC-NLH-021 Upgrade Public Safety Around Dams – Hinds Lake and Paradise River:**  
10 Please provide list of all Island Dams and hydraulic facilities and structures in  
11 relation to which Hydro has undertaken a Public Safety capital expenditure (of  
12 \$50,000 or more) since (and including) 2015 to (and including) 2019, with a brief  
13 description of the project work and the actual capital expenditure on each project.

14  
15 **IC-NLH-022 Upgrade Public Safety Around Dams – Hinds Lake and Paradise River:** In  
16 the past 10 years (2010-2019 inclusive), how many members of the public have  
17 come to physical harm (proven or alleged) as a result of a lack (proven or  
18 alleged) of a public safety measure at an Island dam or hydraulic facility operated  
19 by Hydro, as compared to physical harm (proven or alleged) due to some other  
20 aspect (proven or alleged) of Hydro's operations?

21  
22 **IC-NLH-023 Upgrade Public Safety Around Dams– Hinds Lake and Paradise River:** With  
23 reference to the Table 15 estimates for project cost, please provide a detailed  
24 breakdown as to what costs are related to fencing, what costs are related to  
25 signage and what costs are related to any other work being proposed under this  
26 project.

27  
28 **DATED** at St. John's, in the Province of Newfoundland and Labrador, this 23<sup>rd</sup> day of September,  
29 2020.


30  
31 **POOLE ALTHOUSE**

Per:   
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Dean A. Porter

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**COX & PALMER**

Per:   
\_\_\_\_\_  
Denis J. Fleming

**STEWART MCKELVEY**

Per:   
\_\_\_\_\_  
Paul L. Coxworthy

- TO: The Board of Commissioners of Public Utilities  
Attention: Board Secretary
- TO: Newfoundland & Labrador Hydro  
Attention: Shirley A. Walsh, Senior Legal Counsel, Regulatory
- TO: Office of Consumer Advocate  
Attention: Dennis Browne, Q.C.
- TO: Newfoundland Power Inc.  
Attention: Kelly Hopkins, Corporate Counsel
- TO: Olthuis, Kler, Townshend LLP  
Attention: Senwung Luk