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

IN THE MATTER OF capital expenditures and rate base of Newfoundland Power Inc.; and

IN THE MATTER OF an application by Newfoundland Power Inc. for an Order pursuant to sections 41 and 78 of the *Act*;
(a) approving a 2021 Capital Budget of $111,298.00;
(b) approving certain capital expenditures related to multi-year projects commencing in 2021; and
(c) fixing and determining a 2019 rate base of $1,153,556.00.

CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-001 to CA-NP-131

Issued: August 19, 2020

CA-NP-001 (Reference Application Volume 1, pages 2, 3 and 4 of 4) Please expand the table titled "*2021 Capital Projects (by Asset Class)*" to include a comparison to corresponding figures over the past 5 years for capital amounts applied for, capital amounts approved and actual capital amounts spent. The reference for the description in the table can be ignored.

CA-NP-002 (Reference Application Volume 1, pages 2, 3 and 4 of 4) For each asset class included in the table titled "*2021 Capital Projects (by Asset Class)*", please re-organize according to the investment classifications in Midgard's proposed modifications to the Capital Budget Application Guidelines including mandatory, access, system growth, renewal, service enhancement and general plant.

CA-NP-003 (Reference Application Volume 1, pages 2, 3 and 4 of 4) For the investment classifications identified in CA-NP-002, provide a prioritized list of projects in each classification as would be required under Midgard's proposed modifications to the Capital Budget Application Guidelines.

CA-NP-004 (CA-NP-006 from NP's 2020 Capital Budget Application) NP states "*In the early 1990s, following the cod moratorium, the Company experienced a sharp reduction in electricity sales growth. During that period, Newfoundland Power reduced the amount of capital invested to maintain the electrical system. By 1998, the reliability of service experienced by the Company's customers had deteriorated. A report subsequently commissioned by the Board indicated that it was important for Newfoundland Power to improve its reliability performance.*"

(a) Please provide NP SAIDI and SAIFI data for each year and on a 5-year rolling average basis for 1990 through 2020.

(b) Please provide the capital expenditures for each year from 1990 through 2000.

(c) Please identify the statement and its location in the report commissioned by the Board where it is stated "*it was important for Newfoundland Power to improve its reliability performance*".

(d) Please file for the record a copy of the report commissioned by the Board.

(e) What strategy and plan did NP implement in order to improve its reliability performance following issuance of the report commissioned by the Board?

CA-NP-005 (Reference Application) Please explain NP's prioritization process for its Capital Budget submission. Please provide all documentation between NP senior management and line managers relating to prioritization and cost cutting, or any other documentation from senior management relating to rate pressures brought on by the Muskrat Falls Project.

CA-NP-006 (Reference Application) Please provide a table showing NP's forecast capital budget costs for each year from 2021 to 2025 both with and without the following 3 capital projects: the LED street lighting replacement project, the CSS project and the St. John's North – Portugal Cove substation project.

CA-NP-007 (Reference Application) Please provide a summary of all benchmarking exercises performed by NP relating to costs and performance that have been incorporated in the 2021 Capital Budget Application. Specifically, show how NP spending and performance compares to a peer group and provide relevant information on each peer included in the group.

CA-NP-008 (Reference Application) Please explain and show how customer preferences have been incorporated in the 2021 Capital Budget Application.

CA-NP-009 (Reference Application) Please provide a summary of NP planning criteria used in formulating the 2021 Capital Budget Application.

CA-NP-010 (Reference Application) Please identify all reliability risk metrics used by NP in the 2021 Capital Budget Application. What risk mitigation value is provided by NP's asset management program; i.e., the difference between baseline risk and residual risk.

CA-NP-011 (Reference Application) Please provide a summary of all laboratory testing used by NP to verify the need for asset replacement.

CA-NP-012 (Reference Application) Does NP own steel towers and if so, does it use coating to extend the life? Please explain why or why not and provide a cost benefit analysis comparing coating to replacement of the steel tower.

CA-NP-013 (Reference Application) Has NP identified zones on the Island where deterioration of equipment is greater owing to such things as corrosion, insect infestation, etc? Please provide details as to locations and the means NP has employed to detect deterioration, including scientific and laboratory testing. Please advise if other jurisdictions are employing scientific and laboratory testing determine deterioration.

CA-NP-014 (Reference Application) What does NP use as its security code of practice? Is it consistent with NERC requirements; i.e., NERC CIP v5 standard?

CA-NP-015 (Reference Application) How has NP ensured that its 2021 Capital Budget provides an appropriate balance between reliability and rate impacts? Has NP conducted a customer engagement process to make such determinations? Please provide customer surveys and documentation relating to direct customer contacts that NP has relied upon to determine the appropriate balance between reliability and rate impacts. Has NP disclosed in customer surveys the specific costs related to proposed expenditures and the impact this will have on rates, short term and long term, and please provide examples of same.

CA-NP-016 (Reference Application) What is the overall improvement in productivity stemming from the projects included in the 2021 Capital Budget Application? Please identify the expected cost savings and provide a rough estimate of the impact on rates. Please provide an analysis of the objectives pertaining to SAIDI and SAIFI and the improvements anticipated in SAIDI and SAIFI resulting from these expenditures and how such an analysis was undertaken.

CA-NP-017 (Reference Application) Please provide NP's forecast numbers of customers and energy demand by customer class for 2020 and each of the next 5 years in total and by service area.

CA-NP-018 (Reference Application) With respect to capital expenditures, if the revenue requirement is lower based on actual cost than based on forecast cost is the cost difference returned to customers?

CA-NP-019 (Reference Application Schedule B, page 3 of 98) Please provide a detailed calculation of the cost to own and operate NP hydro facilities; i.e., the amount of money recovered annually from NP customers owing to NP hydro generation facilities.

CA-NP-020 (Reference Application Schedule B, page 3 of 98) How much would it cost to retire Horse Chops, Rattling Brook and Rose Blanche hydro generation facilities? Please provide for these three plants: age, capacity, annual energy production, storage capacity and levelized cost assuming the proposed capital projects proceed.

CA-NP-021 Is it not premature for NP to be spending significant amounts of capital on its generating capacity before Hydro's 2020 Reliability and Resource Access Study has been completed and there is a better idea of the value of capacity? Is it in the interests of ratepayers to continue to fund such

expenditures, given the potential impact that Muskrat Falls will have on a need to purchase power from NP?

CA-NP-022 (Reference Application Schedule B, page 3 of 98)

(a) Please provide a table for NP's 23 hydro generation facilities showing age, capacity, annual energy production, storage capacity, capital spending over the past 10 years and levelized cost.

(b) Is the Mobile electrical power plant in operation? What maintenance has gone into that plant over the past five (5) years? Does NP's ratepayers continue to pay for the maintenance and operation of the Mobile watershed power plant? Please provide an update on discussions with the City of St. John's in reference to the Mobile issues.

CA-NP-023 (Reference Application Schedule B, page 2 of 98) It is stated that an economic analysis found that the levelized cost of production at the Topsail plant assuming the 2021 capital project proceeds is 6.69 cents/kWh.

a) What is the time frame used in the analysis?

b) Did the analysis include any future capital improvements to the plant?

c) What capital improvements are expected through 2030?

d) What is the probability that this plant will become stranded?

e) What is the estimated cost of retiring the Topsail plant?

CA-NP-024 (Reference Application Schedule B, page 3 of 98) It is stated "*This project is justified on the obligation to provide reliable service to customers at least cost and cannot be deferred*". Please provide evidence showing that NP will be unable to provide reliable service at least cost if it were to delay "*replacing and refurbishing deteriorated or substandard components at Horse Chops, Rattling Brook and Rose Blanche hydro plants*". Specifically, provide the expected impact on reliability if the work on Horse Chops, Rattling Brook and Rose Blanche were delayed by one or two years and show the impact on cost.

CA-NP-025 (Reference Application Schedule B, page 5 of 98) With respect to the proposed Topsail project, it is stated "*This project is justified on the obligation to provide reliable service to customers at least cost and cannot be deferred.*"

a) Please provide evidence showing that this is the least cost option for meeting the needs of Island Interconnected System customers. Please explain how this statement can be supported given that Hydro has yet to complete its Reliability and Resource Adequacy Study, so it has not yet been determined when the Island Interconnected System will need capacity and what that source of capacity might cost.

b) Why is it not possible to defer this project? Specifically, please quantify the impact on reliability of supply and rates if the project were to be deferred pending the outcome of Hydro's Reliability and Resource Adequacy Study. Please quantify the risk of failure and the consequences of failure if work on this plant were deferred by one or two years.

CA-NP-026 (Reference Application Schedule B, pages 11 and 12 of 98) It is stated "*This Substations project is a continuation of work started in 2007 as a result of the Substation Strategic Plan. The work included in this project is consistent with that plan.*" Given that this project is now 13 years old, please quantify the benefits to customers in terms of reliability and cost savings since 2007 and the continued justification for the project. Further, please identify efficiencies and cost savings that have been developed over the years as experience has been gained with this project.

CA-NP-027 (Reference Application Schedule B, page 14 of 98) Why have the costs of the Replacements Due to In-service Failures (Pooled) project increased so dramatically in recent years, by 73% in 2018 and 103% in 2019 over 2017 levels?

CA-NP-028 (Reference Application Schedule B, pages 18 and 19 of 98) What would be the impact on the cost of the PCB Bushing Phase-out (Pooled) project if the remainder of the project were delayed and completed in 2024 consistent with Government regulations? What efficiencies have been gained since the project was initiated in 2017?

CA-NP-029 (Reference Application Schedule B, page 21 of 98) It is stated that the Transmission Line Rebuild (Clustered) project is in accordance with "the program outlined in report *3.1 Transmission Line Rebuild Strategy* filed with the *2006 Capital Budget Application*". Have there been any changes to this strategy which is now 14 years old? Why has there been no rebuild strategy filed with the PUB since 2006? How reliable is the 2006 rebuild strategy given the province's changing demographics since 2006?

CA-NP-030 (Reference Application Schedule B, page 22 of 98) It is stated with regard to the Transmission Line Rebuild (Clustered) project "*Rebuilding*

transmission line 124L in 2021 is necessary to replace deteriorated and deficient infrastructure identified through an inspection in 2020." Please quantify risk, reliability and rate impacts on customers if this project were deferred by two years. With respect to risk, please identify the probability of failure and the consequences of failure and how this risk analysis was undertaken.

CA-NP-031 (Reference Application Schedule B, pages 22 and 23 of 98) Why has there been such a huge increase in costs of the Transmission Line Rebuild (Clustered) project beginning in 2019? The 2019 actual cost of the project represents a 121% increase over 2017 actual costs. The average annual cost forecast for the 2023 to 2025 time-frame represents a 191% increase over 2017 actual cost.

CA-NP-032 (Reference Application Schedule B, page 24 of 98) Please explain why Transmission Line Maintenance costs are included in the capital budget.

CA-NP-033 (Reference Application Schedule B, page 24 of 98) What percentage of the costs of 3rd Party Relocations are recovered from the 3rd parties?

CA-NP-034 (Reference Application Schedule B, pages 29 and 30 of 98) For the Extensions (Pooled) project, what "*independent agencies*" were used to derive the number of new customers? Please advise if the COVID-19 pandemic could impact the number of new customers available to NP in the foreseeable future and if this analysis has been undertaken.

CA-NP-035 (Reference Application Schedule B, pages 31, 32 and 33 of 98) For the Meters (Pooled) project, what is the primary cause of the steep increase in meter unit costs in 2018 (43% increase over meter unit costs in 2017)? Can the new meters be used for billing under time-differentiated rates?

CA-NP-036 (Reference Application Schedule B, page 35 of 98) For the Services (Pooled) project, what is the primary cause of the steep increase in unit costs in 2018 (36% increase over new services unit costs in 2017)?

CA-NP-037 (Reference Application Schedule B, page 38 of 98) For the Street Lighting (Pooled) project, please file for the record a copy of the *new service standard for all new and replacement street lighting installations.*

CA-NP-038 (Reference Application Schedule B, page 39 of 98) For the Street Lighting – LED Replacement Program (Pooled) project, please file for the record a copy of the *LED Street Lighting Replacement Plan* and the Board approval.

CA-NP-039 (Reference Application Schedule B, page 39 of 98) For the Street Lighting – LED Replacement Program (Pooled) project, it is stated "*This project is justified on the obligation to provide reliable service to customers at least cost and cannot be deferred.*"

a) Is it true that this project cannot be deferred? Please explain the impact on customers if this project were delayed by a year.

b) Are there other projects that would likewise be consistent with providing reliable power at least cost such as replacement of household/commercial lighting with LEDs and replacement of residential/commercial electric resistance heating with high efficiency heat pumps?

CA-NP-040 (Reference Application Schedule B, pages 41 and 42 of 98) For the Transformers (Pooled) project, adjusted costs have trended downward since 2017.

a) Is reduced electric demand the cause of the downward trend?

b) Why are costs not projected to continue the downward trend?

c) How is electric demand incorporated in the costing of this project?

CA-NP-041 (Reference Application Schedule B, pages 43 and 44 of 98) For the Reconstruction (Pooled) project, what led to the 26% increase in costs in 2018 over 2017 levels?

CA-NP-042 (Reference Application Schedule B, pages 45, 46 and 47 of 98) For the Rebuild Distribution Lines (Pooled) project, historically, how much of the work identified in this project has been carried out under the Reconstruction (Pooled) project because operations problems elevated the priority?

CA-NP-043 (Reference Application Schedule B, pages 45, 46 and 47 of 98) What is the basis for the Rebuild Distribution Lines (Pooled) project? Has it received Board approval?

CA-NP-044 (Reference Application Schedule B, pages 45, 46 and 47 of 98) For the Rebuild Distribution Lines (Pooled) project, please explain the 33% increase in costs in 2018 over 2017 levels.

CA-NP-045 (Reference Application Schedule B, pages 45, 46 and 47 of 98) For the Rebuild Distribution Lines (Pooled) project, please file for the record a copy of Report *4.4 Rebuild Distribution Lines Update.*

CA-NP-046 (Reference Application Schedule B, pages 45, 46 and 47 of 98) Please quantify the cost and reliability benefits customers have received as a result of the Rebuild Distribution Lines (Pooled) project.

CA-NP-047 (Reference Application Schedule B, pages 45, 46 and 47 of 98) Please quantify the risk to customers if the Rebuild Distribution Lines (Pooled) project is deferred by two years in terms of probability of failure and the consequences of failure.

CA-NP-048 (Reference Application Schedule B, pages 53 and 54 of 98) For the Feeder Additions for Load Growth (Clustered) project, why is there such a large increase in projected cost (50% in years 2023 through 2025 over the proposed 2021 level)? How does this large projected cost increase correlate with electricity demand growth?

CA-NP-049 (Reference Application Schedule B, pages 55 and 56 of 98) For the Distribution Reliability Initiative project, why is this project not captured under other distribution projects such as the Rebuild Distribution Lines project? Should reliability be incorporated in the prioritization process in the Rebuild Distribution Lines project?

CA-NP-050 (Reference Application Schedule B, pages 57 and 58 of 98) It is stated that the Distribution Feeder Automation (pooled) project cannot be deferred. Why is NP continuing deployment of automated equipment rather than automating all distribution feeders immediately, or for that matter, why hasn't all automation already been completed given that it cannot be deferred?

CA-NP-051 (Reference Application Schedule B, pages 71, 72 and 73 of 98) For the Purchase Vehicles and Aerial Devices (Pooled) project, what happens to the replaced vehicles and how are revenues accounted for? How does NP's policy on replacement of vehicles and aerial devices compare to Hydro's policy? Please provide evidence by way of certification from a mechanic stating that these vehicles require replacement and the reasons why. Please provide the warranty vehicle period for each vehicle from the date of purchase. Please provide a list of repairs undertaken for each vehicle for the past three years.

CA-NP-052 (Reference Application Schedule B, page 84 of 98) For the Personal Computer Infrastructure (Pooled) project, how does the achievement of a 5-year lifecycle for PCs before replacement compare to experience elsewhere? Please provide comparative industry figures for such replacement. What was the warranty period for each computer to be

replaced? Who is the service provider for these computers? Please provide evidence from an expert opining that these computers require replacement.

CA-NP-053 (Reference Application Schedule B, page 85 of 98) For the Personal Computer Infrastructure (Pooled) project, what would be the impact on customers if the project were delayed by one year? Please quantify risk in terms of probability of failure and the consequences of failure.

CA-NP-054 (Reference Application Schedule B, pages 91 and 92 of 98) For the Cybersecurity Upgrades (Pooled) project, what industry standard does NP use as the basis for developing its cybersecurity projects?

CA-NP-055 (Reference Application Schedule B, page 96 of 98) For the Allowance for Unforeseen Items (Other) project, it is stated "*If the balance in the Allowance for Unforeseen Items is depleted in the year, the Company may be required to file an application for approval of an additional amount in accordance with the Capital Budget Application Guidelines.*" What happens if approved funds are not spent? Could unforeseen items be paid for with funds from approved projects that are deferred or delayed rather than have the Board approve funding for the unknown?

CA-NP-056 (Reference Application, 2020 Capital Expenditure Status Report, page 1 of 13, and A-1) The expected number of new customer connections is shown to have decreased by 10% in 2020 from a forecast of 2639 to 2378. Please explain the decrease and how it has influenced the calculation of new customer connections in the 2021 Capital Budget.

CA-NP-057 (Reference Application, 2021 Capital Plan, page 1) NP proposes 2021 capital expenditures of about $111 million in 2021 which is stated to be consistent with expenditures over the past 5 years. NP indicates that over the 5-year planning period expenditures are forecast to be approximately $120 million annually. Please show how forecast expenditures of about $120 million per year are consistent with expenditures over the past 5 years. Please provide forecast capital budget expenditures and the actual total resulting expenditures in side by side columns for the past 10 years. Please provide the actual rate base for the past 10 years, year over year, the percentage increase and decrease, as the case may be, and the rate base year over year into 2026.

CA-NP-058 (Reference Application, 2021 Capital Plan, page 8) It is noted that the St. John's Teleprotection System Replacement "*has been deferred to 2022 to allow further study of system protection requirements following the commissioning of the Muskrat Falls project.*" What other projects have

been deferred beyond 2021 to allow further study of system requirements following commissioning of the Muskrat Falls Project?

CA-NP-059 (Reference Application, 2021 Capital Plan, pages 9 and 10) A quote by Liberty Consulting is included indicating that NP conforms with good utility practice. Did Liberty consider cost and customer willingness to pay in its review? If so, please reference the statements in its report.

CA-NP-060 (Reference Application, 2021 Capital Plan, page 10) Please provide all reports and Board Orders since the year 2000 indicating that customers were not satisfied with current levels of reliability and were willing to pay for improved reliability performance at the distribution level.

CA-NP-061 (Reference Application, 2021 Capital Plan, pages 14 and 15) It is stated that NP's revenue requirement has remained flat on an inflation-adjusted basis since 2014 and NP's contribution to rates has decreased by 20% since the year 2000 on an inflation-adjusted basis. Does this suggest that NP's productivity improvements have exceeded the rate of inflation by roughly 1% since the year 2000? Please explain.

CA-NP-062 (Reference Application, 2021 Capital Plan, Table 5, page 16) Please expand Table 5 to include transmission and distribution operating and maintenance costs and show other Region 2 distribution companies (see Footnote 37).

CA-NP-063 (Reference Application, 2021 Capital Plan, page 40) It is stated that the 2021 Capital Budget "*has not been adjusted to reflect any potential impacts of COVID-19*".

a) Is the reduction in new customer connections a result of COVID-19?

b) Has NP seen a reduction in electricity demand as a result of COVID-19?

c) Please submit the latest forecast incorporating COVID-19 impacts on the number of customers and electricity demand for 2020 and 2021 and compare it to the figures used to produce the 2021 Capital Budget.

CA-NP-064 (Reference Application, LED Street Lighting Replacement Plan, page 5) Please confirm that under the current program about 25% of street lights would be expected to be LED six years from now.

CA-NP-065 (Reference Application, LED Street Lighting Replacement Plan, page 12) If the marginal value of capacity were reduced by 50% would the LED Street Lighting Replacement Plan be about break even with the status quo?

CA-NP-066 (Reference Application, LED Street Lighting Replacement Plan, page B-1) Please provide the calculation for the 4 MW reduction in capacity.

CA-NP-067 (Reference Application, LED Street Lighting Replacement Plan) Please identify the expected savings in operations and maintenance costs in each year of the LED Street Lighting Replacement Plan.

CA-NP-068 (Reference Application, LED Street Lighting Replacement Plan) Owing to the effectiveness of LED lighting, is it possible to reduce the number of required streetlights? Has NP attempted to assess the optimal number of streetlights after all have been replaced with LEDs?

CA-NP-069 (Reference Application, LED Street Lighting Replacement Plan) Who is the manufacturer of LED street lights that are currently installed in the Province and where were they manufactured? Are these lights designed specifically for the NL climate and environmental conditions? What type of warranty is on the currently installed street lights and what type of warranty does NP expect on new LED street lights that it proposes to purchase? Please confirm that NP expects the warranty to be adequate for environmental conditions in the Province. What is the useful life, that is, the estimated lifespan, of these LEDs?

CA-NP-070 (Reference Application, Customer Service Continuity Plan, page 1) It is stated "*An independent assessment of alternatives has confirmed that implementing a modern Customer Information System is the only viable alternative to ensure continuity in Newfoundland Power's customer service delivery. A modern Customer Information System would support the Company's existing business processes, provide opportunities to improve the customer experience, and align the Company with current industry practice.*"

a) Please explain why under no circumstances can the existing customer service system (CSS) "*ensure continuity in Newfoundland Power's customer service delivery*" over the next three years.

b) Please identify issues and problems over the past three years brought on by deficiencies of the existing CSS.

c) Please quantify the risk of failure and the consequences of failure if the CSS is not replaced for the next three years.

d) Does the existing CSS "*support the Company's existing business processes*"?

e) Please provide a copy of any analysis EY has taken to examine any and all potential providers of a CSS system and the associated provider costs.

f) Is this expenditure appropriate given the difficulties facing the economy currently resulting from the COVID-19 pandemic, during which time businesses have been closed for months and schools and educational institutions have not operated.

g) Given the COVID-19 pandemic and the devastating effect that COVID is having on the provincial economy, how is it possible that NP could justify such an expenditure in these circumstances?

CA-NP-71 (Reference Application, Customer Service Continuity Plan, Figure 2, page 4) Please extend Figure 2 to show forecast customer service costs with and without the proposed CSS in the years 2020 through 2030.

CA-NP-072 (Reference Application, Customer Service Continuity Plan, Figure 2, page 4) How do the figures in Figure 2 compare to other mid- to large distribution companies?

CA-NP-073 (Reference Application, Customer Service Continuity Plan, page 7) It is stated "*Some functional limitations have already materialized. For example, the billing of net metering and some large general service customers cannot cost-effectively be delivered through CSS. These functional limitations are expected to increase over time as customers' service expectations evolve. CSS could not, for example, be customized to deliver time-of-use rates.*"

a) How many net metering customers are there currently, and forecast over the next 5 years?

b) What are NP's current plans for implementation of time-of-use rates?

c) At any time in history has NP offered its customers time-of-use rates?

d) Can existing Household meters be used for time-of-use rates?

e) Can existing General Service meters be used for time-of-use rates?

CA-NP-074 (Reference Application, Customer Service Continuity Plan, page 7) It is stated "*The assessment further determined that CSS has moderate support risk. CSS has been supported using internal expertise since 1998. Support capacity is expected to diminish over time due to employee retirements. The skills necessary to replace this expertise are not commonplace in the labour market and are no longer offered as part of postsecondary programs.*"

a) Would it be possible for employees ready for retirement to pass their knowledge on to younger employees through training or other programs?

b) What type of postsecondary programs are available for the proposed new CSS?

c) What postsecondary programs do current employees have that are relevant to supporting the current CSS?

CA-NP-075 (Reference Application, Customer Service Continuity Plan, page 13) It is stated "*From a technical perspective, EY assessed that a modern CIS would streamline Newfoundland Power's IT environment. Of 56 essential business applications interfacing with CSS, 36% could be retired with the implementation of a modern CIS. Retiring applications provides efficiencies by reducing the overall complexity of the IT environment and associated support and maintenance requirements.*" What operation and maintenance cost savings are expected in each year of operation of the proposed CSS?

CA-NP-076 (Reference Application, Customer Service Continuity Plan, pages 20 and 21) It is stated "*Internal labour costs include resources from Newfoundland Power's Customer Relations and Technology departments. Internal labour costs in 2021 and 2022 reflect the resources required to procure and design a replacement solution. Internal labour costs in 2023 reflect the resources required to finalize data conversion requirements, test and deploy the solution, and train employees in serving customers using the new technology.*"

a) Would this work be carried out by existing or new employees?

b) Would current employees supporting the existing CSS continue to work at NP?

c) Would there be a corresponding reduction in operation and maintenance costs associated with the use of existing employees to support implementation of the new CSS?

CA-NP-077 (Reference Application, Customer Service Continuity Plan) Is it feasible to have a joint CSS to support both Hydro and NP operations? What efficiencies might be gained? What studies were undertaken to determine the feasibility of working jointly with Hydro? Did EY meet with Hydro to have discussions in reference to same?

CA-NP-078 (Reference Application, Customer Service Continuity Plan) Is it feasible for NP to contract out its CSS operation to a third party? What efficiencies might be gained?

CA-NP-079 (Reference Application, Customer Service Continuity Plan) Owing to the size of the expenditure for the proposed CSS, should this proposed expenditure appropriately be the subject of a separate application? Would not the new guidelines recommended by Midgard require such a separate application? And would not other jurisdictions require a separate application for such a large expenditure?

CA-NP-080 (Reference Application, Customer Service Continuity Plan) For the record, please file a copy of the NP report that was submitted for Board approval for the existing CSS in the early 1990s.

CA-NP-081 (Reference Application, Customer Service Continuity Plan) Is the manufacturer of the existing CSS still a going concern? If so, please provide contact information and provide the status of any discussions between NP and the manufacturer. Please provide the names of all companies providing services for the existing CSS system to provide parts and services over the past 5 years. Please provide the names of companies/utilities in other jurisdictions who continue to have your existing CSS system or similar.

CA-NP-082 (Reference Application, EY Report, page 4) It is stated "*CSS has been extended to its maximum life and is becoming technically obsolete.*" Why is it not possible to physically extend the life of the CSS given that its life has already been extended by several years?

CA-NP-083 (Reference Application, EY Report, page 8) It is stated "*Aging infrastructure increases integration and cybersecurity risks and becomes costlier to maintain as talent acquisition/retention scarcity increases.*" Please quantify the savings in integration, cybersecurity and maintenance costs brought on by the proposed new CSS and explain how these savings have been incorporated in the 2021 Capital Budget Application.

CA-NP-084 (Reference Application, EY Report, page 10) It is stated "*Modern CIS solutions are configuration-based which would allow Newfoundland Power to incorporate the majority of its business requirements into a CIS without*

customization." Would the proposed new CSS be compatible with a move to retail competition in the Province? Would the proposed new CSS require modifications for a regulated market such as that in NL? Would the proposed new CSS become obsolete if the Province moved to retail competition?

CA-NP-085 (Reference Application, EY Report, page 10) It is stated "*Skills required to maintain and use a modern CIS can be readily acquired through formalized training and certification programs for technical and business employees. This increases the number of available skilled resources to support a modern CIS.*" Will NP make use of existing employees to support the proposed CSS or will it be necessary to hire new employees? What is the expected cost of employees needed to support the proposed CSS and how does it compare to the existing CSS?

CA-NP-086 (Reference Application, EY Report, page 11) Would it be better to wait until there is greater understanding and clarity of rate mitigation, the Muskrat Falls Project and Hydro's Reliability and Resource Adequacy Study to ensure the proposed CSS is compatible?

CA-NP-087 (Reference Application, EY Report, page 20) Please provide a list of potential CIS procurement advisors. Will Ernst and Young be allowed to bid on any of the CIS implementation activities?

CA-NP-088 (Reference Application, EY Report, page 20) Does the vendor provide the necessary training and is the cost of training included in the capital cost of the project?

CA-NP-089 (Reference Application, EY Report, page 23) It is stated that costs for the proposed CSS will be $106 per customer. What are the estimated offsetting savings? What might NP cut from its 2021 Capital Budget to reduce costs by $106 per customer? Were the costs associated with the CSS purchase given to NP's customer survey group and/or focus groups to determine ratepayer reaction to such a large expenditure?

CA-NP-090 (Reference Application, EY Report, page 24) It is stated "*To maintain vendor software support and implement major software functionality enhancements, vendors mandate software upgrades every 3-4 years. A minor upgrade in year four is estimated at $2.1M with a larger upgrade/hardware refresh in year eight estimated at $4.0M.*" Would these costs be capitalized in future years? Does NP incur similar costs with the existing CSS?

CA-NP-091 (Reference Application, EY Report) While SAP and Oracle are judged to be leaders in CIS, would NP limit its request for proposals to these two vendors only?

CA-NP-092 (Reference Application, EY Report) Please provide copies of all correspondence between NP and EY over the course of the EY study. Please provide all meeting dates, times and places, conference calls history and notes taken during all of the above by NP over the course of the EY study. Please provide for evidence copies of all reports provided by EY, including all draft reports.

CA-NP-093 (Reference Application, Customer Experience Report, page 5) On what basis are the targets established for customer calls answered within 60 seconds, new service connections within 10 days, CAIDI, customer satisfaction, and customer service costs per customer?

a) How does NP performance compare to its peer group in these areas?

b) Will the proposed new CSS enable NP to improve on these standards?

c) If NP is meeting its targets for customer service is there a need for the proposed new CSS?

d) Does NP have a customer service standard that it submits to the Board each year?

e) Does the proposed new CSS put NP in a better position to move to a performance-, or incentive-based, regulatory mechanism?

f) What percentage of NP's customers receive online billings and pay online? Has this increased during the pandemic?

CA-NP-094 (Reference Application, Customer Service Qualitative Research Report, page 6) It is stated "*Seventeen residential customers took part in two focus groups that were held in St. John's (9 participants) and Clarenville (8 participants) on January 27th and 28th, 2020. Nine commercial customers of various sizes were also selected to participate in interviews that took place from January 31st and February 7th, 2020.*"

a) Is this size group considered statistically significant?

b) Was any information gained from customers with respect to customer service, reliability, willingness to pay for improved reliability or desirability of reduced rates in exchange for minor reductions in

reliability during this research. Why not? Does NP believe that it already has enough information on these topics?

c) How many NP employees work in customer service qualitative research for NP?

CA-NP-095 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study, pages 6 and 7) For Alternative 1, it is assumed that two new 25 MVA transformers would be installed at VIR and BCV substations. Was consideration given to installing only one transformer at BCV substation and transferring load from VIR to BCV?

CA-NP-096 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study, page11) Table 7 shows that Alternatives 1 and 2 are very close, only 2.6% apart in the base case and basically no difference under the high load growth scenario. Does NP consider this adequate for choosing one alternative over the other? What level of accuracy is there in the cost estimates used in the analysis?

CA-NP-097 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study, page 11) Is there a possibility that the proposed new substation could become obsolete? Has such a possibility been addressed in the economic analysis of alternatives?

CA-NP-098 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study, page 11) Please provide a table showing actual monthly loading on the 3 substations over the past three years.

CA-NP-099 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study, Appendix B) Please identify all environmental considerations associated with the transmission line needed to feed the proposed new substation.

CA-NP-100 (Reference Application Volume 2, St. John's North-Portugal Cove System Planning Study) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of probability of failure and consequences of failure.

CA-NP-101 (Reference Application Volume 2, 2021 Facility Rehabilitation, page 2) It is stated "*The bypass pipe is directly connected to the plant penstock without an isolating valve. Failure of the bypass pipe would lead to major*

plant flooding while the head gate is being closed." Was this a flaw in the original design? Is it an issue at NP's other hydroelectric stations?

CA-NP-102 (Reference Application Volume 2, 2021 Facility Rehabilitation, page 4) It is stated "*Replacement of the fall arrest system is necessary to provide safe access for personnel to perform maintenance, inspection and repairs, as well as to conform to Occupational Health and Safety Regulations.*"

a) Does NP consider this work a legislated requirement?

b) Is the surge tank bracing work also required under the Occupational Health and Safety Regulations?

c) Please identify all work included in the proposed 2021 Facility Rehabilitation program that is a legislated requirement and indicate the relevant piece of legislation.

CA-NP-103 (Reference Application Volume 2, 2021 Facility Rehabilitation) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of risk of failure and consequences of failure.

CA-NP-104 (Reference Application Volume 2, Topsail Hydro Plant Refurbishment, page 1) It is stated "*The gate shaft is bent from repeated attempts to force gate closure.*" What led to the "*repeated attempts to force gate closure*" and is this the likely cause for the need to replace the gate?

CA-NP-105 (Reference Application Volume 2, Topsail Hydro Plant Refurbishment) Please confirm that the evaluation of the Topsail refurbishment is based on marginal costs that are over 1 ½ years old and at a time when Hydro's Reliability and Supply Adequacy Study has not yet been completed. What is the risk of the proposed investment in the Topsail plant becoming stranded before the end of its useful life assumed in the evaluation?

CA-NP-106 (Reference Application Volume 2, Topsail Hydro Plant Refurbishment) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of the probability of failure and the consequences of failure.

CA-NP-107 (Reference Application Volume 2, 2021 Substation Refurbishment and Modernization, page A-1) Why is there such a large increase in budgeted

costs from 2021 to 2022 and beyond? Please confirm that the projected costs in 2024 and 2025 are more than double the cost in 2021.

CA-NP-108 (Reference Application Volume 2, 2021 Substation Refurbishment and Modernization) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of probability of failure and the consequences of failure.

CA-NP-109 (Reference Application Volume 2, 2021 Additions Due to Load Growth, Attachment A, page 1) Please provide actual loadings by month on the Dunville Substation for the past three years.

CA-NP-110 (Reference Application Volume 2, 2021 Additions Due to Load Growth, Attachment A, page 5) If the low load growth forecast materializes, do you need to make any changes to the substation? Please explain.

CA-NP-111 (Reference Application Volume 2, 2021 Additions Due to Load Growth) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of the probability of failure and the consequences of failure.

CA-NP-112 (Reference Application Volume 2, Transmission Line Rebuild, pages 2 and 3) Please confirm that conductors will not be replaced as part of this project. Are conductor replacements cost effective on a dollar spent per avoided customer interruption relative to other investments?

CA-NP-113 (Reference Application Volume 2, Transmission Line Rebuild, page 3, footnote 7)

a) What is NP's average per kilometer maintenance cost on its transmission lines? How does this compare with Hydro and/or other similar Canadian utilities?

b) Do the figures in footnote 7 apply to the entire line or only the 30 km section that is proposed for rebuild?

c) Specifically, what maintenance projects have been carried out on the line since 2015?

d) How would maintenance costs be impacted if the Board rejected this rebuild in 2021?

CA-NP-114 (Reference Application Volume 2, Transmission Line Rebuild) Please demonstrate how NP has incorporated customer preferences, planning criteria, system reliability, asset condition and benchmarking for this project. Please identify the risk impacts of not proceeding with this project in 2021 both in terms of probability of failure and the consequences of failure.

CA-NP-115 (Reference Application Volume 2, Transmission Line Rebuild, page 5, footnote 13) When does NP plan to file the Abandonment of Plant Application, what is the expected cost and when will the costs be incurred?

CA-NP-116 (Reference Application Volume 2, Transmission Line Rebuild, page A-1, Table A-1) NP plans to ramp-up the Transmission Rebuild project according to the significantly increasing costs shown in the table. Please explain the urgency in ramping up this project at a time when electricity rates in the Province are under severe pressure.

CA-NP-117 (Reference Application Volume 2, Transmission Line Rebuild, page C-1) Please provide details of historical pole treatments on transmission line 124L.

CA-NP-118 (Reference Application Volume 2, Distribution Reliability Initiative, page 1) Are customer views about reliability such as complaints, surveys and direct customer contacts a consideration in the Distribution Reliability Initiative?

CA-NP-119 (Reference Application Volume 2, Distribution Reliability Initiative, page 1) Please confirm that there will always be worst performing feeders relative to the system average. Is it NP's goal to spend capital until all feeders receive the same level of reliability? Have customers, the Consumer Advocate or the Board indicated that all customers should receive the same level of service reliability? If so, please provide the documentation.

CA-NP-120 (Reference Application Volume 2, LGL-02 Distribution Feeder Refurbishment, page 4) Why was a non-wood pole solution not used when the hydro facility was constructed in 1998?

CA-NP-121 (Reference Application Volume 2, Company Building Renovations) Does CORE Engineering install HVAC systems? If so, will they be allowed to bid the proposed replacement project?

CA-NP-122 (Reference Application Volume 2, Company Building Renovations) Please provide copies of all correspondence between NP and CORE Engineering over the course of its study.

CA-NP-123 (Reference Application Volume 2, Company Building Renovations) Please identify the risk impacts of not proceeding with this project in 2021 both in terms of probability of failure and the consequences of failure.

CA-NP-124 (Reference Application Volume 2, Company Building Renovations, report by CORE Engineering) The CORE report is dated May 2020. It states (page 5) "*The existing systems as described are at or very close to the end of their useful lives and we would recommend replacement in the next couple of years*." Why is NP proposing to replace it in 2021 when CORE indicates it should be replaced in the "*next couple of years*"?

CA-NP-125 (Reference Application Volume 2, 2021 Application Enhancements) Please provide a summary by year through 2028 of the cost savings that are expected to be passed on to consumers for each of the projects in the Application Enhancements category.

CA-NP-126 (Reference Application Volume 2, 2021 System Upgrades) Will any of these proposed upgrades be superseded by the proposed new Customer Information System? Would the proposed upgrades be compatible with the proposed new Customer Information System?

CA-NP-127 Did NP participate in Hydro's Digital Engagement Initiative? If not, why not? Have the results of the Digital Engagement Initiative been incorporated in NP's 2021 Capital Budget Application?

CA-NP-128 (Reference Application) With respect to the Capital Budget Guidelines, in NP's opinion is the onus on the utility to fully support with evidence expenditures in the Capital Budget or is the onus on the intervenors to submit evidence indicating that a capital expenditure is not needed? What does NP consider to be the body of evidence in a Capital Budget Application which the PUB should consider in making a decision?

CA-NP-129 Please provide for evidence, at the bottom of each RFI Reply, the names of experts and persons who can primarily address the contents of the Reply and who can offer evidence at a hearing to prove the truth of the matter asserted.

CA-NP-130 (a) Please provide a listing of each and every proposed Capital Budget expenditure and prioritize the same. The listing should be in order of priority.

(b) Please provide a listing of each and every Capital Budget expenditure which can be deferred.

(c) Please provide the criteria considered for a deferral.

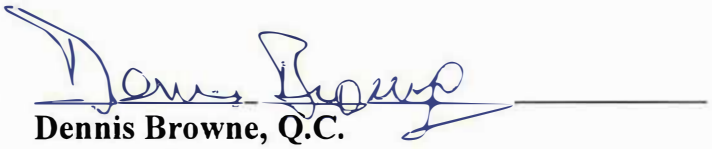
CA-NP-131 (a) What is the overall improvement in SAIDI and SAIFI proposed from the projects included in the 2021 Capital Budget?

(b) What is NP's current policy objectives and targets with respect to reliability, more particularly SAIDI and SAIFI?

(c) Please provide on a list the last ten years of actual Capital Budget expenditures for each year and the SAIDI and SAIFI for that year.

(d) Please provide evidence as to what utility Boards across the country determine should be the evidentiary weight for SAIDI and SAIFI in determining whether a project should be approved for expenditure.

DATED at St. John's, Newfoundland and Labrador, this 19th day of August, 2020.

Per: 

Dennis Browne, Q.C.
Counsel for the Consumer Advocate
Terrace on the Square, Level 2, P.O. Box 23135
St. John's, Newfoundland & Labrador A1B 4J9

Telephone: (709) 724-3800
Telecopier: (709) 754-3800