

1 Q. **Reference: CA-NLH-001**

2 The response shows that the Board has approved the full capital budget amount proposed by  
3 Hydro in only one (2009) of the past 15 years (2007 through 2021). For each of the 14 years that  
4 the Board did not approve the proposed capital budget amount, please provide a summary  
5 table showing the year, the dollar amount denied by the Board, a description of the project(s)  
6 that were denied by the Board (in part or in full), the reasons given by the Board for the project  
7 denial, and the reason Hydro had proposed the project. More specifically, please explain if  
8 Hydro proposed the project in order to maintain or improve customer service and/or reliability  
9 on the Island Interconnected System, or if the project was proposed to improve efficiency and  
10 reduce customer costs on the Island Interconnected System.

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13 A. A detailed listing of projects not approved by the Board of Commissioners of Public Utilities  
14 (“Board”) for the years 2017 through 2021 is provided in CA-NLH-070, Attachment 1. As the  
15 suggested categorizations of customer service and/or reliability, or efficiency and cost savings,  
16 do not fully encompass the reasons that Newfoundland and Labrador Hydro (“Hydro”) proposes  
17 projects, Hydro has included the investment driver for each project listed within CA-NLH-070,  
18 Attachment 1. For detailed explanations of the Board’s reasoning for project denial, please refer  
19 to the Board orders identified in CA-NLH-070, Attachment 1.

| CBA Year | Project Description  | Expenditure Denied (\$) | Investment Driver   | Reason for Denial/Notes  | Board Order No(s)                               |
|----------|--|-------------------------|---------------------|--|---|
| 2007     | Holyrood Condition Assessment  | 3,334,900               | Renewal             | Insufficient scope definition to justify magnitude and timing of expenditure.  | P.U. 35(2006)                                   |
| 2007     | Construct Transmission Line Equipment Off-Loading Ramps                          | 402,000                 | Service Enhancement | Lack of correspondence with Department of Transportation and Works; insufficient information regarding security, location, and design of ramps.  | P.U. 35(2006)                                   |
| 2008     | Upgrade Continuous Emissions Monitoring System                                   | 688,900                 | Mandatory           | Insufficient supporting information to demonstrate that project is mandatory, or otherwise reasonable and necessary, to comply with environmental standards.   | P.U. 30(2007)                                   |
| 2008     | Construct Bushing Storage Building   | 334,900                 | General Plant       | Insufficient supporting information to demonstrate that storage building would improve longevity of bushings.  | P.U. 30(2007)                                   |
| 2008     | Replace Public Address System - Holyrood   | 1,139,000               | Renewal             | Insufficient supporting information to support the need to replace the existing public address system at that time; insufficient consideration of alternatives.  | P.U. 30(2007)                                   |
| 2008     | Replace Line Camp 98 - TL 228  | 500,000                 | Renewal             | Board of Commissioners of Public Utilities ("Board") denied recovery of costs on the basis that Hydro did not perform adequate maintenance and remedial action following a 2005 inspection.  | P.U. 30(2007)                                   |
| 2009     | Full Approval  |                         |                     |  | P.U. 36(2008)                                   |
| 2010     | Upgrade Plant Access Road - Bay d'Espoir   | 1,550,000               | Renewal             | Project approved, cost recovery denied due to government ownership of the asset.   | P.U. 1(2010)                                    |
| 2011     | Upgrade Stack Breaching Unit 1 - Holyrood  | 1,769,600               | Renewal             | Insufficient justification for portion of project scope (replacement of support structure and installation of external insulation and ice protection).   | P.U. 38(2010)                                   |
| 2011     | Refurbish Fuel Storage Facility - Holyrood                                       | 2,637,900               | Renewal             | Insufficient justification based on five-year old consultants report and seven-year old inspection; insufficient support for consultant's recommendations; insufficient consideration of alternatives.   | P.U. 38(2010)                                   |
| 2011     | Construct Transmission Line Equipment Off-Loading Areas                          | 791,000                 | Service Enhancement | Insufficient supporting information for the number of off-loading areas, location of areas, and level of planned expenditures.   | P.U. 38(2010)                                   |
| 2012     | Upgrade Burnt Dam Spillway - Bay d'Espoir  | 1,702,800               | Renewal             | Insufficient supporting information for identification of scope in the absence of condition assessment.  |   |
| 2012     | Increase Generation Capacity - Mary's Harbour                                    | 1,489,400               | System Growth       | Board approved condition assessment and installation of stop log storage system.   | P.U. 2(2012)                                    |
| 2012     | Increase Generation Capacity - Mary's Harbour                                    | 1,489,400               | System Growth       | Insufficient consideration of reliability and long-term plan for the Mary's Harbour system.  | P.U. 2(2012)                                    |
| 2012     | Upgrade Transmission Line Access Trails, Stoney Brook to Springdale              | 313,000                 | General Plant       | Insufficient supporting information relating to ownership and control of access trails.  | P.U. 2(2012)                                    |
| 2012     | Rewind Stators Units 1 and 3 - Bay d'Espoir                                      | 8,688,800               | Renewal             | 2012 scope approved; Board requested 2013 and 2014 scope to be refiled as single-year projects.  | P.U. 2(2012)                                    |
| 2012     | Install Additional 230kV Transformer - Oxen Pond                                 | 3,535,200               | System Growth       | Insufficient supporting information regarding the age, condition, and load forecasts for the Oxen Pond transformers.   | P.U. 2(2012)                                    |
| 2012     | Install Plant Operator Training Simulator - Holyrood                             | 1,028,200               | Service             | Insufficient justification in light of the short-term nature of Holyrood Thermal Generating Station  | P.U. 5(2012)                                    |
| 2012     | Replace Fuel Oil Heat Tracing - Holyrood   | 1,474,300               | Renewal             | Recovery of costs denied as a result of Board's determination that Hydro did not prudently operate the legacy heat-tracing system.   | P.U. 5(2012)                                    |
| 2012     | Upgrade Marine Terminal - Holyrood   | 5,859,600               | Renewal             | Board deferred approval pending completion of inspection of marine terminal.   | P.U. 5(2012)                                    |
| 2013     | Front-End Engineering Design ("FEED") Costs Associated with 2014 CBA Preparation | 472,100                 | FEED                | Board determined that advanced approval of FEED costs is not necessary; Approval of FEED costs to be considered in 2014 CBA.   | P.U. 2(2013)                                    |
| 2013     | Automated Fuel Monitoring System - Upper Salmon                                  | 192,700                 | Service Enhancement | Project approved; cost recovery denied pending an approved variance to forego weekly tank dipping to enable cost savings.  | P.U. 2(2013)                                    |
| 2014     | Replace Diesel Units - Port Hope Simpson and Mary's Harbour                      | 208,900                 | Renewal             | Approval denied pending long-term plan for southern Labrador.  | P.U. 24(2013)                                   |
| 2014     | Upgrade Excitation Systems Units 1 and 2 - Holyrood                              | 654,300                 | Renewal             | Approval denied due to short-term time frame of Units 1 and 2 operation and the potential for risk mitigation through critical spares inventory.   | P.U. 24(2013)                                   |
| 2014     | Upgrade Shoreline Protection - Cat Arm   | 1,471,500               | Renewal             | 2014 expenditures approved; 2015 and 2016 expenditures denied pending identification of scope and alternatives during design in 2014.  | P.U. 24(2013)                                   |
| 2015     | Full Approval  |                         |                     | Discrepancy between proposed and approved amounts is result of projects withdrawn by Hydro.  | P.U. 50(2014)                                   |
| 2016     | Full Approval  |                         |                     | Discrepancy between proposed and approved amounts is result of projects withdrawn by Hydro.  | P.U. 33(2015)                                   |
| 2017     | Full Approval  |                         |                     | Discrepancy between proposed and approved amounts is result of projects withdrawn by Hydro.  | P.U. 45(2016)                                   |
| 2018     | Full Approval  |                         |                     | Hydraulic Generation Refurbishment and Modernization Project and Muskrat Falls-Happy Valley Interconnection projects were not approved in original order, and were subsequently approved following review of additional information provided by Hydro. | P.U. 43(2017),<br>P.U. 5(2018),<br>P.U. 9(2019) |
| 2019     | Full Approval  |                         |                     | Discrepancy between proposed and approved amounts is a result of projects withdrawn by Hydro.  | P.U. 46(2018)                                   |
| 2020     | Purchase New Mobile Substation - Bishop's Falls                                  | 734,700                 | Service Enhancement | Insufficient supporting information to support need for additional mobile substation.  | P.U. 6(2020)                                    |
| 2021     | Full Approval  |                         |                     | Replace Diesel Genset - Nain and Replace Personal Computers projects were not approved in original order and were subsequently approved following review of additional information provided by Hydro.  | P.U. 37(2020),<br>P.U. 10(2021)                 |