



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

2022-08-08

Lindsay Hollett
Senior Legal Counsel &
Assistant Corporate Secretary
Newfoundland Power Inc.
55 Kenmount Road, P.O. Box 8910
St. John's, NL A1B 3P6
E-mail: lhollett@newfoundlandpower.com

Dear Ms. Hollett:

Re: Newfoundland Power Inc. – 2023 Capital Budget Application – Requests for Information

Enclosed are Requests for Information PUB-NP-001 to PUB-NP-024 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/rr

Enclosure

ecc **Newfoundland Power Inc.**
Liam O'Brien, E-mail: lobrien@curtisdawe.com
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
Newfoundland and Labrador Hydro
Shirley Walsh, E-mail: shirleywalsh@nlh.nl.ca
NLH Regulatory, E-mail: nlhregulatory@nlh.nl.ca

Consumer Advocate
Dennis Browne, Q.C., E-mail: dbrowne@bfma-law.com
Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com
Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com
Bernice Bailey, E-mail: bbailey@bfma-law.com

1 **IN THE MATTER OF** the *Public*
2 *Utilities Act*, (the “*Act*”); and
3
4 **IN THE MATTER OF** capital expenditures
5 and rate base of Newfoundland Power Inc.; and
6
7 **IN THE MATTER OF** an application by
8 Newfoundland Power Inc. for an order
9 pursuant to sections 41 and 78 of the *Act*:
10 (a) approving single-year 2023 capital
11 expenditures in the amount of \$93,292,000;
12 (b) approving multi-year projects with capital
13 expenditures of \$10,483,000 in 2023 and
14 \$10,645,000 in 2024; and
15 (c) fixing and determining a 2021 rate base of
16 \$1,202,946,000.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NP-001 to PUB-NP-024

Issued: August 8, 2022

1 **General**

2

3 **PUB-NP-001** Please confirm the total 2023 capital budget amount that Newfoundland Power
4 is requesting to be approved, including multi-year projects that commenced in
5 previous years and have been approved by the Board, single year projects for
6 2023 and multi-year projects that will commence in 2023.

7

8 **PUB-NP-002** Please detail which projects would not have been included in the 2023 Capital
9 Budget Application if s. 41(3) of the *Public Utilities Act* was changed to include
10 expenditures where the cost of construction is above the following amounts:

11

- 12 (a) \$300,000;
13 (b) \$500,000;
14 (c) \$1,000,000; and
15 (d) \$2,000,000.

16

17 **2023 Capital Budget Overview**

18

19 **PUB-NP-003** Please advise if all projects which are assigned the same priority score have the
20 same priority for inclusion in Newfoundland Power's annual capital budget
21 request? If not, what methodology does Newfoundland Power use to determine
22 the order of execution for projects classified with the same priority score?

23

24 **PUB-NP-004** a) In referencing deferred projects, what factors did Newfoundland Power take
25 into account in making the original deferral decision and what factors were
26 subsequently reviewed as part of the engineering assessment that led to the
27 decision to include the previously deferred projects in the 2023 capital budget?

28

29 b) What factors did Newfoundland Power take into account in making the
30 decision to defer projects planned for the 2023 to subsequent years?

31

32 **Schedule B General**

33

34 **PUB-NP-005** For several programs the budget is calculated based on historical annual
35 expenditures for the most recent five-year period and expressed in current-year
36 dollars as adjusted costs. The average of these costs is then inflated by the GDP
37 Deflator for Canada for non-labour costs and Newfoundland Power's internal
38 labour inflation rate for labour costs.

39

40 Please provide the GDP Deflator for Canada for non-labour costs and the internal
41 labour inflation rate for labour costs used by Newfoundland Power for the
42 current budget requests and for the last five years.

43

44 **PUB-NP-006** Several programs and projects are based on historical spending or forecasts and
45 therefore, the expenditure is an estimate of what Newfoundland Power will

1 spend. Please confirm that only the actual expenditures will be proposed to be
2 included in rate base.

3
4 **Schedule B, Page 2: LED Street Lighting Replacement (\$5,453,000)**

5
6 **PUB-NP-007** Please provide an updated financial analysis on the acceleration of the
7 installation of the LED street lights.

8
9 **Schedule B, Page 19: Electric Vehicle Charging Network (\$594,000)**

10
11 **PUB-NP-008** Are the proposed 2023 capital expenditures for the EV charging network
12 contingent on approval of Newfoundland Power's proposed 2021-2025 Plan for
13 Electrification and Conservation, Demand Management Application?

14
15 **PUB-NP-009** Newfoundland Power filed its 2021-2025 Plan for Electrification and
16 Conservation, Demand Management Application in December 2020. This
17 application included a budget of three Direct Current Fast Chargers ("DCFC") for
18 2023 at an estimate of \$460,000. In Newfoundland Power's 2023 Capital Budget
19 Application the budget for three DCFC Chargers is \$594,000, an increase of
20 approximately 29%. Please provide an explanation for the increase in the
21 budget for 2023.

22
23 **PUB-NP-010** The three charging sites are to be installed in areas where existing charging
24 stations are experiencing high customer usage rates.

- 25
26 a) Please provide a summary of the data of the customer usage rates for the EV
27 chargers currently installed.
28 b) Is there a certain threshold that will need to be met to indicate the
29 requirement of additional charging ports?
30 c) Since these chargers will be installed where customer usage rates are high,
31 did Newfoundland Power consult with the site owners to determine whether
32 they would be interested in installing an additional charger? If not, why not?
33 d) Did Newfoundland Power consider going with the "make ready" models for
34 the sites where customer usage is high? If not, why not?

35
36 **PUB-NP-011** In Order No. P.U. 30 (2021) – Reasons for Decision, on page 13, lines 31-34, the
37 Board stated "Future EV charging station capital expenditure requests should be
38 supported with updated information, including information relating to the actual
39 and forecast EV uptake in the province and forecast load as well the planned
40 approach to load management.

41
42 Please provide the supporting updated information requested by the Board for
43 the EV charging station capital expenditures.

1 **PUB-NP-012** Please confirm if Newfoundland Power will be applying for any Provincial and/or
2 Federal funding to offset the costs of the EV chargers. Also, will the installation
3 of level 2 chargers be dependent on receiving government funding?
4

5 **Schedule B, Page 33: Allowance for Funds Used During Construction (\$247,000)**
6

7 **PUB-NP-013** Newfoundland Power states that the Allowance for Funds Used During
8 Construction is calculated in a manner consistent with Order No. P.U. 32(2007),
9 which is a standard practice for regulated Canadian utilities. Please advise when
10 Newfoundland Power most recently reviewed the practices of other Canadian
11 utilities and provide details of the review.
12

13 **Schedule B, Page 41: Rebuild Distribution Lines (\$4,945,000)**
14

15 **PUB-NP-014** This Rebuild Distribution Lines program includes a list of 43 distribution feeders,
16 including SUM-01, that will undergo inspection in 2022 with planned
17 preventative maintenance in 2023. Please explain why SUM-01 is included in this
18 list, as the refurbishment of distribution feeder SUM-01 is proposed to be
19 completed over two years commencing in 2023 under the Distribution Reliability
20 Initiative on page 8 of Schedule B.
21

22 **Schedule B, Page 66: Replacement Meters (\$662,000)**
23

24 **PUB-NP-015** Please confirm that Newfoundland Power will consult/coordinate with
25 Newfoundland and Labrador Hydro before the AMI technology is selected.
26

27 **PUB-NP-016** Schedule B page 68 states “A forecast increase in expenditures in 2027 is due to
28 an expected transition to Advanced Metering Infrastructure (“AMI”) technology,
29 with the installation of meters that are compatible with both AMR and AMI
30 meter reading systems.”
31

32 Newfoundland Power further states on Schedule B page 69 “Newfoundland
33 Power has identified that its existing meters are exposed to risk of asset
34 stranding due to the potential requirement to implement AMI technology. The
35 deployment of AMI technology would require most existing AMR meters to be
36 removed from service. The installation of replacement meters using AMI
37 technology starting in 2027 is intended to help mitigate the risk of stranding
38 AMR meters.”
39

40 Please reconcile these two statements including information on the risk
41 exposure of stranding existing AMR meters.

1 **Schedule B, Page 85: Long Pond Substation Capacity Expansion (\$247,000)**

2

3 **PUB-NP-017** Newfoundland Power states that the Long Pond Substation Capacity Expansion
4 project is required to provide Memorial University with equitable access to an
5 adequate supply of power. Will a Contribution in Aid of Construction be required
6 from Memorial University?

7

8 **2023-2027 Capital Plan**

9

10 **PUB-NP-018** Page 6, Newfoundland Power states that the asset management review is
11 expected to be completed in two years. Please provide an update on the status
12 and progress of the asset management review.

13

14 **PUB-NP-019** Page 12 Newfoundland Power states “A system planning study is being
15 conducted to inform the long-term plan for these gas turbines.”

16

17 What preliminary options are being considered in the system planning study
18 concerning the long-term plan for the gas turbines?

19

20 **Tab 1.1: 2023 Distribution Reliability Initiative**

21

22 **PUB-NP-020** Page 10 states “The Company reviewed the performance indices and responder
23 data for distribution feeder SUM-01 to identify the cause of the poor service
24 reliability experienced by customers on New World Island. An engineering
25 assessment determined that capital upgrades to replace deteriorated conductor,
26 address other deficiencies and install downline reclosers would address the poor
27 service reliability experienced by these customers.”

28

29 Was an engineering report developed for the engineering assessment? If yes,
30 please provide a copy of the report.

31

32 **Tab 2.1: 2023 Substation Refurbishment and Modernization**

33

34 **PUB-NP-021** Please provide the most recent update to the *Substation Refurbishment and*
35 *Modernization Plan* originally submitted with Newfoundland Power’s 2007
36 capital budget application.

37

38 **Tab 2.2: Substation Spare Transformer Inventory**

39

40 **PUB-NP-022** Page 12, Table 3: Assuming approval of the current request, and if
41 Newfoundland Power were to discount transformers 200185, 200113, 200358,
42 200352, and 200258 what would be the recommendation in regards to spare
43 purchases?

1 **PUB-NP-023** Footnote 25 on page 12 notes that SPO-T4 and SPO-T5 provide N-1 redundancy
2 criteria. Please describe how N-1 criteria is applied by Newfoundland Power in
3 relation to its power transformers.
4


5 **Tab 3.1: 2023 Transmission Line Rebuild**

6
7 **PUB-NP-024** Please provide the most recent update to the *Transmission Line Rebuild Strategy*
8 originally submitted with Newfoundland Power's 2006 capital budget
9 application.

DATED at St. John's, Newfoundland this 8th day of August, 2022.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary