

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 its 2009 Capital Budget of
\$61,571,000; and
- (b) fixing and determining its average rate
base for 2007 in the amount of
\$793,703,000

To: Board of Commissioners of Public Utilities

Suite E210, Prince Charles Building

120 Torbay Road

P.O. Box 12040

St. John’s, NL A1A 5B2

Attention: Ms. G. Cheryl Blundon,

Director of Corporate Services and Board Secretary

CA-01-NP At p. 3 of the 2009 Capital Plan it states, “In 2008 Newfoundland Power has undertaken a study to identify opportunities for increasing production at existing hydroelectric plants.” Besides the Rose Blanche Spillway stated to be the first of these projects, what other opportunities have been identified?

CA-02-NP At p. 3 of the 2009 Capital Plan it states, “The Company plans to invest \$344 million in plant and equipment during the 2009 through 2013 period. On an annual basis, capital expenditures are expected to average approximately \$68.7 million and range from a low of \$61.6 million in 2009 to a high of \$72.2 million in 2011.” Can NP provide *pro forma* estimates of revenue requirement

impacts of these proposed expenditures over the next 10 years.

- CA-03-NP Further to the preceding question, what is NP's assessment of the impact on its operating costs of investing \$344,000,000 in plant and equipment.
- CA-04-NP In Decision and Order of the Board (Order No. P.U. 27 (2007)) at p. 5, the Board stated, "The Board notes that the proposed expenditures in relation to each of the asset classes are in line with the levels proposed and approved by the Board in recent capital budgets." Please set out a comparison of the 2008 and 2009 Capital Budget Summaries by asset class using the format utilized in Schedule A, page 1 of 5 to the 2009 Application.
- CA-05-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Please provide reliability and availability data for the Rocky Pond Plant over the past 10 years.
- CA-06-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Did NP undertake a follow-up report providing an evaluation of the actual condition of the penstock that it replaced at Rattling Brook which could be compared against the condition indicated by engineering inspections and assessments?
- CA-07-NP Re: Report by Trina Cormier, B. Eng., "Rocky Pond Hydro Plant Refurbishment" (Section 1.2, p. 3) - Does NP have recent photographs of the area of the March 8, 2008 substantial leak showing the post-repair condition of that area of the penstock?
- CA-08-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - In the

evaluation of the replacement of the woodstave penstock, how is the risk to employee and public safety determined?

CA-09-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Does the likelihood of a catastrophic failure of the penstock remain remote for the foreseeable future?

CA-10-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Provide for the last five years:

1. The particulars of maintenance costs in relation to this plant, with details in relation to the penstock,
2. Maintenance logs,
3. Inspection reports/assessments, and
4. Outage reports with reasons.

CA-11-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Please provide for the past five years details of problems that have been experienced with regard to de-watering the penstock.

CA-12-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Has NP considered woodstave construction for the replacement penstock?

CA-13-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Please provide a breakdown of the \$6,517,000 proposed capital expenditure in respect of the penstock, replacement of main valve, generator rewind, governor up grades and re-building of the forebay distribution and communication line.

- CA-14-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - At page 6 of the report entitled "Rocky Pond Hydro Plant Refurbishment" of June, 2008, reference is made to the governor. Can the existing governor be reasonably expected to operate properly for the foreseeable future?
- CA-15-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - At page 7 of the report entitled "Rocky Pond Hydro Plant Refurbishment" of June, 2008, reference is made to the Generator Rewind. Did Siemens carry out the more recent inspection of the rotor and stator windings referred to therein and if so, did Siemens recommend that the generator stator be rewound at this time?
- CA-16-NP Re: Rocky Pond Plant Refurbishment (p. 2 of 81, Schedule B) - Has NP undertaken, as it did in the case of the Rattling Brook Penstock, a study to determine the optimum diameter for the replacement penstock?
- CA-17-NP Re: Facility Rehabilitation (Pooled) - Reference is made at page 2 of the Report 2009 Facility Rehabilitation to a \$947,000 proposed capital expenditure in relation to the Horsechops generating plant. As regards the Governor Control System it is stated that the "governor is obsolete and the manufacturer no longer supplies replacement parts or offers maintenance support." Please confirm whether or not third party companies provide maintenance support, including parts for such Woodward Model HR as appears to be the case as noted in the Rocky Pond Hydro Plant Refurbishment report (see p. 6).
- CA-18-NP Re: Facility Rehabilitation (Pooled) - As regards the Governor Control at the

Horsechops Plant, can the existing governor and hydraulic control portion of the same be reasonably expected to operate properly for the foreseeable future?

CA-19-NP Re: Facility Rehabilitation (Pooled) - As regards the Generator Protection component of the Horsechops Plant project, can the existing generator protection system reasonably be expected to operate properly for the foreseeable future without the identified upgrades being made?

CA-20-NP Re: Facility Rehabilitation (Pooled) - As regards the Switchgear component of the Horsechops Plant Project, can the existing Switchgear reasonably be expected to operate properly for the foreseeable future?

CA-21-NP Re: Facility Rehabilitation (Pooled) - As regards the Plant Control System component of the Horsechops Plant Project, can the existing plant control system reasonably be expected to operate properly for the foreseeable future?

CA-22-NP Re: Facility Rehabilitation (Pooled) - Please provide reliability and availability data for the Horsechops Generating Plant over the past ten years.

CA-23-NP Re: Facility Rehabilitation (Pooled) - With respect to the Hydro Dam Rehabilitation (435,000) as described at pp. 4-5 of 2009 Facility Rehabilitation Report (at 1.1, section 3.0) can any of these 5 dam rehabilitation projects be deferred?

CA-24-NP Re: Replace Mercury Vapour Street Lights, Schedule B, page 33 of 81 and the Energy Efficient Streetlights Report (4.2)

In the Economic Analysis (section 4, p. 2 of Report) Option I is the status quo alternative where the remaining 7,000 MV streetlights are replaced through normal attrition at the rate of 538 per year. (A) Does the assumed level of attrition replacements hold true for the purposes of the economic analysis given that the report notes at p. 1 that these remaining MV streetlight fixtures were purchased prior to 1982 and at an age in excess of 26 years, these fixtures have an in service life greater than what would normally be expected? (B) Related to this question, is it realistic to assume for the purposes of the Economic Analysis that given the advanced age of the remaining MV streetlight fixtures that it will take approximately 13 years to remove all MV streetlights from the system?

CA-25-NP Re: Transformers (Pooled), Schedule B, page 35 of 81 - Please provide for each year from 2004 to 2009 the average cost of transformer.

CA-26-NP Re: Rebuild Distribution Lines (Pooled), Schedule B, p. 39 of 81 - which of the Company's 43 feeders have been selected for feeder improvement?

CA-27-NP Re: Rebuild Distribution Lines (Pooled), Schedule B, p. 39 of 81 - with respect to the five potential problem identifications arising from NP's inspection standards listed at page 40 of 81, please indicate which of the five relate to each of the 43 feeders selected for feeder improvement.

CA-28-NP Re: Distribution Reliability Initiative (Pooled), Schedule B, p. 44 of 81 - please provide a table showing Distribution Interruption Statistics on an annual

basis for each of the 5 years commencing January 1, 2003 and ending December 31, 2007 in respect of GLV-02, LEW-02, NBW-02 and the Company Average.

CA-29-NP Re: Purchase Vehicle and Aerial Devices, Schedule B., page 57, 58 of 81 -
How many of NP's heavy fleet and passenger vehicles which have reached the "threshold age or level of usage" referred to will not be replaced with this Capital Budget allocation?

DATED at St. John's, in the Province of Newfoundland and Labrador, this 7th day of August, 2008.



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