

IN THE MATTER OF the *Electrical Power Control Act*, SNL 1994, Chapter E-5.1 (the “*EPCA*”) and the matter of the *Public Utilities Act* RSNL 1990, Chapter P-47 (the “*Act*”); and

IN THE MATTER OF capital expenditures and rate base of Newfoundland Power Inc. (“Newfoundland Power”); and

IN THE MATTER OF an application by Newfoundland Power for an order of the Board, pursuant to Sections 41 and 78 of the *Act*:

- i) approving its 2012 Capital Budget in the amount of \$77,293,000;
- ii) approving certain leases to be entered into in 2012;
- iii) approving certain capital expenditures related to multi-year projects commencing in 2012; and
- iv) fixing and determining its average rate base for 2010 in the amount of \$875,210,000.

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION
PUB NP 1 to PUB NP 24
Issued: August 5, 2011

2012 Capital Plan, pg. 1

PUB NP 1

NP states that the average forecast expenditure of approximately \$83 million "...for the next 5 years is consistent on an inflation adjusted basis with that in the period 2007 through 2011". Please provide justification for this statement including the rates of actual and forecast rates of inflation used in the calculations and the sources of this information.

2012 Capital Plan, pg. 2

PUB NP 2

NP estimates that 35% of its 2012 Capital Expenditures will be as a result of load growth. What information, identified by source, is used to forecast the number of new customers that will be added to the system in 2012?

PUB NP 3

What information, identified by source, is used to forecast the increase in load that will cause a need for increased system capacity?

PUB NP 4

Does NP adjust the information obtained from the above sources, including an explanation of any adjustments, for use in its annual budgeting process?

PUB NP 5

Have the variances of past years in expenditures for load growth caused NP to investigate the use of information from other sources for inclusion in the annual capital budget process?

PUB NP 6

If an investigation of other sources of information was undertaken, please provide details of the results.

2012 Capital Plan, pg. 4

PUB NP 7

In the 2012 Capital Budget NP includes 29 pooled projects for expenditures totaling \$63,118,000. What criteria are used by NP to determine how projects are pooled for purposes of the Capital Budget?

2012 Capital Plan, pg. A-1

Over the past three-year period the following capital budget amounts were approved by the Board:

2009 Capital Budget Application	\$61,571,000	Order No. P.U. 27(2008)
2010 Capital Budget Application	64,679,000	Order No. P.U. 41(2009)
2011 Capital Budget Application	72,969,000	Order No. P.U. 28(2010)

The upcoming five years are forecast to be:

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2105</u>	<u>2016</u>
\$77,293,000	\$79,611,000	\$88,086,000	\$86,397,000	\$85,176,000

PUB NP 8

Using the rate of return on rate base and the operating expenses for the 2010 test year, and setting out any other reasonable assumptions, please calculate the impact on the revenue requirement for each of the upcoming five years that can be attributed directly to the forecast capital expenditures for that period.

PUB NP 9

Other than the impact on revenue requirement, what other implications would there be for customers of the increased magnitude of the annual capital budgets?

2012 Capital Budget, Schedule B, pg. 2 of 90, Facility Rehabilitation (Pooled), \$1,362,000

Facility Rehabilitation (Pooled), set out in Tab 1.1, is made up of the following:

Hydro Dam Rehabilitation:

Port Union Long Pond Spillway	\$212,000
Tors Cove Forebay Spillway Rehabilitation	\$191,000
Paddy's Pond Dam and Spillway	\$381,000
Generation Equipment Replacements Due to In-Service Failures	\$578,000

PUB NP 10

Has NP undertaken a separate engineering review of each of the projects included under Hydro Dam Rehabilitation? If so, please provide a summary of each of the reports.

PUB NP 11

Under the heading of Generation Equipment Replacements Due to In-Service Failures, please provide an inventory of replacement equipment at the beginning of 2010, an inventory at the end of 2010, and a listing, as well as purchase price, of equipment that was replaced throughout the year. Please exclude Hurricane Igor related costs for 2010.

2012 Capital Budget, Schedule B, pg. 4 of 90, Rattling Brook Fisheries Compensation (Other), \$5,000,000

PUB NP 12

According to the report entitled “Rattling Brook Fisheries Compensation”, Tab 1.2, pg. D-2, at least one number included in the estimate for the operating costs of the upgraded Rattling Brook system has been taken from a report that was prepared in 2009. Have the numbers included in this report been revised to reflect forecast operating costs for 2012 and for future years? If so, what are the forecast costs?

2012 Capital Budget, Schedule B, pg. 16 of 90, Replacements Due to In-Service Failures (Pooled), \$2,276,000

PUB NP 13

Under the heading of Substations, Replacements Due to In-Service Failures, please provide an inventory of replacement equipment at the beginning of 2010, an inventory at the end of 2010, and a listing, as well as purchase price, of equipment that was replaced throughout the year.

2012 Capital Budget, Schedule B, pg. 18 of 90, Additions Due To Load Growth (Pooled), \$5,439,000

PUB NP 14

In Tab 2.2, Attachment A, pg. 3, footnote 2, third bullet, NP states that “The feeder normal peak loading should be sufficient to permit cold load pickup.” Please explain how “cold load pickup” is determined.

2012 Capital Budget, Schedule B, pg. 30 of 90, Extensions (Pooled), \$10,326,000

2012 Capital Budget, Schedule B, pg. 43 of 90, Reconstruction (Pooled), \$2,861,000

2012 Capital Budget, Schedule B, pg. 48 of 90, Relocate/Replace Distribution Lines for Third Parties (Pooled), \$2,205,000

PUB NP 15

In each of the above projects NP notes that an adjustment has been made to recognize the impact of the sale of 40% of joint use support structures to Bell Aliant. With the issuance of Board Order No. P.U. 17(2011), will NP file a revised 2012 Capital Budget with the appropriate adjustments?

2012 Capital Budget, Schedule B, pg. 20 of 90, PCB Bushing Phase-out (Pooled), \$1,500,000

PUB NP 16

In the report provided in Tab 2.3, pg. 1, footnote 2, NP makes reference to “sensitive locations”. How are “sensitive locations” determined?

2012 Capital Budget, Schedule B, pg. 27 of 90, Transmission Line Rebuild (Pooled), \$5,577,000

PUB NP 17

In the report provided in Tab 3.1, pg. 2, paragraph 2, NP states that “it is recommended that this section of line be rebuilt...at an estimated cost of \$1,653,000.” This amount differs from the amount shown on page 1 of the report, and included in the total shown in Schedule B, page 27 of 90. Please confirm that the amount included in the capital budget for this section of the rebuild is actually \$1,853,000.

2012 Capital Budget, Schedule B, pg. 62 of 90, Company Building Renovations, \$685,000

PUB NP 18

For each year from 2007 to 2011(F), please provide a listing of the capital projects that have been undertaken on the Kenmount Road parking lot and the cost of each.

PUB NP 19

For each year from 2007 to 2011(F), please provide a listing of the maintenance costs that have been incurred on the Kenmount Road parking lot.

PUB NP 20

For each year from 2007 to 2011(F), please provide a listing of the capital projects that have been undertaken on the Kenmount Road office building and the cost of each.

PUB NP 21

For each year from 2007 to 2011(F), please provide a listing of the maintenance costs that have been incurred on the Kenmount Road office building.

2012 Capital Budget, Schedule B, pg. 67 of 90, Purchase Vehicles and Aerial Devices (Pooled), \$2,306,000

PUB NP 22

Please provide a table showing the forecast number of: 1) heavy fleet vehicles, 2) passenger vehicles, and 3) off-road vehicles at the beginning of 2012 and the forecast number of each at the year-end, 2012.

2012 Capital Budget, Schedule D, pg. 2 of 4, Production Printers, \$40,000/year

PUB NP 23

Does the lease for the two high volume printers include a provision for maintenance?

1 **2012 Capital Budget, Schedule D, pg. 3 of 4, Color Copier – Production Center,**
2 **\$40,000/year**

3
4 **PUB NP 24**

5
6 Does the lease for the high volume copier include a provision for maintenance?

DATED at St. John's, Newfoundland this 5th day of August 2011.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Original signed by

Per _____
Cheryl Blundon
Board Secretary