

HAND DELIVERED

January 15, 2014

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

Ladies and Gentlemen:

**Re: Newfoundland & Labrador Hydro – Application for approval of a capital project for the installation of diesel units at Holyrood for the purposes of blackstarting the generating units, and for the deferral of lease costs.**

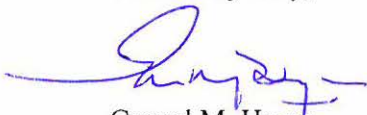
Please find enclosed the original and 12 copies of Newfoundland Power's Requests for Information NP-NLH-1 to NP-NLH-23 in relation to the above-noted Application.

For convenience, the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to the parties listed below.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours very truly,



Gerard M. Hayes  
Senior Counsel

c. Geoffrey Young  
Newfoundland and Labrador Hydro

Paul Coxworthy  
Stewart McKelvey

Thomas Johnson  
O'Dea Earle Law Offices

Thomas O'Reilly, QC  
Vale Newfoundland and Labrador Limited

**IN THE MATTER OF** the *Electric Power Control Act*, R.S.N.L. 1994, Chapter E-5.1 (the EPCA) and the *Public Utilities Act*, R.S.N. 1990, Chapter P-47 (the Act), and regulations thereunder;

**IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro (Hydro) for the approval of, pursuant to Section 41(3) of the *Act*, of infrastructure required for the installation of diesel units at Holyrood for the purpose of blackstarting the generating units, and pursuant to Sections 49, 78 and 80 of the *Act*, for the deferral of lease costs relating to the diesel units required for blackstart purposes.

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**Requests for Information by  
Newfoundland Power Inc.**

**NP-NLH-1 to NP-NLH-23**

**January 15, 2014**

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## Requests for Information

- NP-NLH-1 Paragraph 6 of the amended Application states:
- “During 2012, Hydro assessed the option for location of the new 50 MW combustion turbine and concluded the least cost option was to locate the combustion turbine in Holyrood.”
- Please provide the detailed assessment that concluded that the least cost option was to locate the new combustion turbine in Holyrood.
- NP-NLH-2 Paragraph 6 of the amended Application refers to a “new 50 MW combustion turbine”, while paragraph 8 refers to a “new 60 MW combustion turbine”. What is the planned capacity of the new combustion turbine?
- NP-NLH-3 When does Hydro anticipate filing the application for approval of the planned combustion turbine at Holyrood?
- NP-NLH-4 If it is subsequently determined that the Holyrood site is not the least cost location of the planned combustion turbine, and the standby diesel generation must remain in service at Holyrood until 2020, is the project as proposed still the least cost alternative?
- NP-NLH-5 Considering that the planned combustion turbine is to be available for the 2015-2016 operating season, is there a point in time where delays in receiving environmental approval or securing a supplier makes the project proposed in this application no longer justifiable?
- NP-NLH-6 Paragraph 9 of the amended Application identifies capital costs of \$1,263,400 and annual lease costs of \$5,763,200. Over what period does Hydro intend to depreciate the capital assets associated with the Application?
- NP-NLH-7 Please itemize, and describe in detail, the \$1,263,400 in capital expenditures that will be incurred for the installation of the leased standby diesel units proposed to be installed at Holyrood.
- NP-NLH-8 Please indicate which of the \$1,263,400 of capitalized assets proposed in the amended Application will continue to be utilized by Hydro if the planned new combustion turbine is installed in Holyrood.
- NP-NLH-9 Paragraph 10 of the amended Application states:
- “Hydro intends to apply for the recovery of the lease costs through its General Rate Application process.”
- Over what period does Hydro propose to recover the lease costs?

- NP-NLH-10 Please provide the beginning and ending dates for the period referred to as the “2013-2014 operating season” in the Summary section of the *Holyrood Blackstart Analysis* report.
- NP-NLH-11 Please confirm that Hydro’s costs related to the project proposed in this application are not included in the 2013 Test Year in Hydro’s general rate application.
- NP-NLH-12 Does Hydro plan to adjust its 2013 Test Year costs in its general rate application to account for any of the expenditures for which approval has been requested in this application?
- NP-NLH-13 When does Hydro now anticipate that the proposed Holyrood blackstart capability will be in service?
- NP-NLH-14 Please provide a complete description of all instances when the existing Holyrood blackstart capability was used to blackstart the plant when the transmission supply to the Avalon Peninsula was interrupted?
- NP-NLH-15 Please fully describe Hydro’s January 2012 plan for blackstarting the Holyrood plant using the Hardwoods gas turbine.
- NP-NLH-16 How long will the leased standby diesel generators proposed in this application be able to supply the Holyrood station service using only the onboard fuel tanks?
- NP-NLH-17 The *Holyrood Blackstart Analysis* report states at page 10:  
  
 “This project schedule assumes that the project can be exempted from the typical environmental approval process required under current legislation for a diesel plant of this size. Under that assumption, it is expected that an exemption could be obtained, and relevant permits received within 60 days. Hydro intends to pursue this exemption with all dispatch.”  
  
 Please describe all efforts Hydro has made to obtain exemption of this project from the typical environmental approval process and provide copies of all correspondence with government authorities related to the matter.
- NP-NLH-18 The evaluation of alternatives in Appendix B suggests that all 8 of the 1.825 MW diesel generators are necessary to successfully complete the blackstart of Holyrood. Does Hydro have a contingency plan in the event that 1 or more of the 8 diesel units is unavailable when needed to blackstart Holyrood? If so, please fully describe the contingency plan. If not, why not?
- NP-NLH-19 For how long a period has Holyrood operated without an effective blackstart solution at the Holyrood location?
- NP-NLH-20 What was the reason for the 2011 inspection of the Holyrood gas turbine by the Department of Government Services, Occupational Health and Safety Inspection Branch (OHS)?

NP-NLH-21 Why does Hydro refer to the combination of eight 1.825MW diesel generators as a 16 MW plant?

NP-NLH-22 Please provide a copy of the 2011 AMEC Consulting report on the condition assessment of the Holyrood Gas Turbine.

NP-NLH-23 Page 3 of the *Holyrood Blackstart Analysis* report states:

“Information regarding refusal to start or failure during operation is not available at this time.”

Is Hydro now in a position to provide this information? If not, why not?

**RESPECTFULLY SUBMITTED** at St. John’s, Newfoundland and Labrador, this 15<sup>th</sup> day of January, 2014.



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