



July 18, 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 Power's 2015 Capital Budget Application

Re: Consumer Advocate's Requests for Information

In relation to the above noted, please find enclosed the original and twelve (12) copies of the Consumer Advocate's Requests for Information numbered CA-NP-01 to CA-NP-32.

An electronic copy will be forwarded in due course.

We trust the foregoing is found to be in order.

Yours very truly,


O'DEA, EARLE

THOMAS JOHNSON

TJ/cel
Encl.

cc: Newfoundland Power
Attention: Mr. Gerard Hayes



Newfoundland and Labrador Hydro
Attention: Mr. Geoffrey Young

Island Industrial Customers
Attention: Paul Coxworthy

Danny Dumaresque

Grand Riverkeeper Labrador Inc.
Attention: Ms. Roberta Frampton

IN THE MATTER OF the
Public Utilities Act, RSNL 1990,
Chapter P-47 (the *Act*) as amended; 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 a 2015 Capital Budget of
\$94,211,000;
- (b) approving certain capital expenditures
related to multi-year projects commencing
in 2015; and
- (c) fixing and determining a 2013 rate base of
\$915,820,000.

Requests for Information by The Consumer Advocate

CA-NP-01 to CA-NP-32

July 18, 2014

1 CA-NP-01 *Schedule B 2015 Capital Projects (p. 14 of 97)*

2 What is the annual adjustment factor Newfoundland Power uses for
3 extraordinary item expenses?
4

5 CA-NP-02 *Schedule B 2015 Capital Projects (p. 30 of 97)*

6 Newfoundland Power outlines that the forecast number of new customer
7 users is derived from economic projections provided by independent
8 agencies. New customer additions are forecast to decrease in 2014 and
9 2015. For the years 2010 through 2013, please provide a table
10 indicating how accurate the economic projections provided by the
11 independent agencies used by Newfoundland Power have been.
12
13

1 CA-NP-03 *Schedule B 2015 Capital Projects (p. 45 of 97)*
2 Newfoundland Power outlines that it uses a 7-year inspection cycle for
3 distribution feeders. Is the 7-year inspection cycle for distribution feeders
4 an industry wide practice?
5
6 CA-NP-04 *Schedule B 2015 Capital Projects (p. 85 of 97) Personal Computer*
7 *Infrastructure*
8 Who have been the PC suppliers for Newfoundland Power Inc. for the last
9 ten (10) years?
10
11 CA-NP-05 *2015 Capital Plan (p. 7)*
12 Newfoundland Power outlines the increase in the forecast annual capital
13 expenditure is a reflection of inflation and requirements for specific
14 projects related to replacement of deteriorated facilities, meeting
15 customer load growth, replacing the company's SCADA system, and
16 maintaining compliance with the federal regulations and a new portable
17 generator. Does Newfoundland Power foresee any increases in its
18 capital outlook due to interconnection? If so, how has this been reflected
19 in the five year outlook?
20
21 CA-NP-06 *2015 Capital Plan (p. 11)*
22 *"Increased use of the gas turbines during the past 2 winter seasons is a*
23 *significant change in usage."* Please provide the usage of Newfoundland
24 Power's gas turbines for 2008 through 2012.
25
26 CA-NP-07 *2015 Capital Plan (p. 18) Transportation*
27 Please provide a copy of the all vehicle replacement guidelines.
28
29 CA-NP-08 *2015 Capital Plan (p. 18) Transportation*
30 Please provide details regarding average replacement criteria used by
31 other Canadian utilities.
32
33
34

In Order No. P.U. 42(2013) made in Newfoundland and Labrador Hydro's 2014 Capital Budget Application, the Board determined at page 21 the following:

"The Consumer Advocate notes that there is not consistency between Hydro's practice and the other utility cited in its response to IC-NLH-59. He submits that, for its next capital budget application, Hydro should be required to provide a survey of the replacement practices for vehicles and aerial devices by at least the other Atlantic Canadian utilities. According to the Consumer Advocate this would allow for fuller and more complete analysis and consideration of this ongoing project.

...

...Hydro agrees that the information requested by the Consumer Advocate and the Industrial Customer Group can be provided in future years if the Board considers it will be useful in considering this project at that time.

The Board is satisfied that this project is justified based on the evidence. In its next capital budget application for similar replacements Hydro will be expected to provide, as supporting documentation, information on the replacement policies for similar utilities in Canada. The Board agrees this information may assist in its future consideration of this ongoing project. This project will be approved as proposed."

Is Newfoundland Power able to provide this information for this current Capital Budget Application? If not, are there plans to commence gathering this information for future applications, given that transportation capital expenditures are expected to increase by approximately \$3.2 million annually between 2015 through 2019?

CA-NP-10 *Tab 1.1 2015 Facility Rehabilitation – Hydro Dam and Spillway Rehabilitation*
How long has the mechanical lift at the Horse Chops Spillway not been functioning as designed?

CA-NP-11 *Tab 1.1 2015 Facility Rehabilitation – Hydro Dam and Spillway Rehabilitation*
Please provide the risk assessment results relied upon by Newfoundland Power for determining that the Horse Chops Spillway does not meet public safety requirements.

CA-NP-12 *Tab 1.1 2015 Facility Rehabilitation – Hydro Dam and Spillway Rehabilitation – Frank’s Canal Spillway (p. 5)*
What is the expected life of the new timber-structure proposed for Frank’s Canal Spillway?

CA-NP-13 *Tab 1.1 2015 Facility Rehabilitation – Hydro Dam and Spillway Rehabilitation – Rocky Pond Turbine Shaft Rehabilitation*
When was Weir Canada’s investigation into the alignment issue with the turbine shaft at the Rocky Pond plant completed?

CA-NP-14 *Tab 1.2 Pierre’s Brook Hydro Plant – Appendix B – Feasibility Analysis*
Newfoundland Power continues to use the fuel cost of the Holyrood Thermal Generating Station when considering the cost of projects. Is it realistic to continue to use comparison with the cost of generation at Holyrood with the Muskrat Falls project forecast to come on line in the next few years? What does Newfoundland Power foresee using for levelized costs of energy analysis in the future?

CA-NP-15 *Pierre’s Brook Hydro Plant, Tab 1.2, Appendix B, page B-1*
Is it possible to delay this project until after commissioning of Muskrat Falls and associated transmission? What would be the repercussions of such a delay?

CA-NP-16 *Pierre's Brook Hydro Plant, Tab 1.2, Appendix B, page B-1*
Please provide details and costs for the "do nothing" alternative. For example, what would NP do with this plant and site, and at what cost, if the Board were to determine that production from this plant were no longer needed following commissioning of Muskrat Falls and associated transmission?

CA-NP-17 *Pierre's Brook Hydro Plant, Tab 1.2, Appendix B, page B-2*
How do the economics of the Pierre's Brook project compare to the alternative energy source on the system following commissioning of Muskrat Falls and associated transmission?

CA-NP-18 *Tab 1.4 Tor's Cove Hydro Plant Refurbishment – Overhead Crane*
Newfoundland Power states that during normal operations, a crane is used infrequently. Please provide the usage of the crane over the last five years. Other than the planned hydro plant refurbishment, what further use of the crane does Newfoundland Power anticipate?

CA-NP-19 *Tab 1.5 Public Safety Around Dams*
How did Newfoundland Power calculate the number of times the public were within the hazardous area (incident likelihood rating) and the most likely consequence (the incidence consequence rating) for each hydro-electric site?

CA-NP-20 *Tab 4.1 Distribution Reliability Initiative*
Newfoundland Power indicates at page 3 that analysis of the outage data reveals that equipment failure has been the cause of most of the outages experienced along distribution feeders KBR-10 and MOL-09. What equipment failures are occurring and when did they occur?

CA-NP-21 *Tab 4.1 Distribution Reliability Initiative*
At page B-5 for NCH-02, Newfoundland Power outlines that reliability statistics were driven by a vegetation related event in 2011. What was this vegetation related event?

CA-NP-22 *Tab 4.1 Distribution Reliability Initiative – Appendix C – Kingsbridge
KBR-10 Feeder Study*

What was the cause of the aerial cable failing twice in the last three years?

CA-NP-23 *Tab 4.2 Feeder Additions for the Load Growth*

When were Newfoundland Power forecasts for peak loads for 2015 completed?

CA-NP-24 *Tab 4.2 Feeder Additions for the Load Growth*

What were the forecasts and actual peak loads for 2010 through 2013?

CA-NP-25 *Tab 4.2 Feeder Additions for the Load Growth*

How long has MOB-01 been in overload condition?

CA-NP-26 *Tab 6.1 2015 Application Enhancements-Property Records Management
System Improvements*

How many vendors did Newfoundland Power consult regarding the property records management system improvements cost?

CA-NP-27 *Tab 6.1 2015 Application Enhancements-Property Records Management
System Improvements*

Does Newfoundland Power keep track of document usage under its current system? If so, in the last 2 years, how many trips to the secured vault were required?

CA-NP-28 *Tab 6.1 2015 Application Enhancements – Inventory Management
Improvements*

Please provide the number of incidents in the past 5 years where required materials and/or tools were not in a truck as a result of the current inventory management system.

1 CA-NP-29 *Tab 6.1 2015 Application Enhancements – Inventory Management*
2 *Improvements*

3 Has Newfoundland Power contacted any other utilities regarding
4 inventory management? Has, for example, the CSS with Click, Metering
5 Equipment System and Streetlight Management System been utilized
6 across the industry successfully?
7

8 CA-NP-30 *Tab 6.3 2015 Shared Server Infrastructure*

9 For each of the projects listed, i.e. the customer service system,
10 webserver infrastructure, server equipment, security infrastructure and
11 security management infrastructure, please outline the details as to the
12 factors considered by Newfoundland Power at page 2 and
13 the results of same.
14

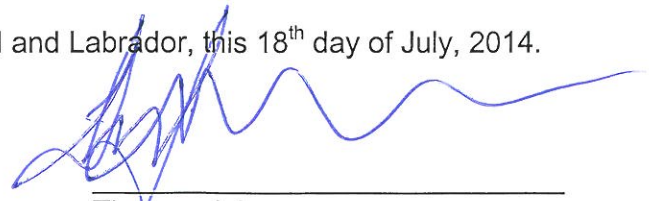
15 CA-NP-31 *Tab 6.5 Geographical Information System Improvements*

16 Will training be required for employees to fully and accurately update GIS
17 information while in the field?
18

19 CA-NP-32 *Tab 6.5 Geographical Information System Improvements*

20 Newfoundland Power outlines that enhancements were made in 2012 to
21 its outage management application, but it remains a manual process.
22 Why were the current proposals for customer connectivity not sought at
23 that time?

Dated at St. John's in the Province of Newfoundland and Labrador, this 18th day of July, 2014.



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