

July 18, 2014

The Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, Newfoundland & Labrador  
A1A 5B2

**Attention: Ms. Cheryl Blundon**  
**Director Corporate Services & Board Secretary**

Dear Ms. Blundon:

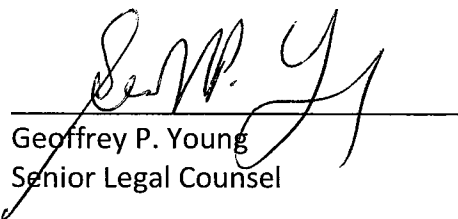
**Re: Requests for Information regarding Newfoundland Power's 2015 Capital Budget Application**

Enclosed please find an original plus 12 copies of Requests for Information by Hydro to Newfoundland Power, NLH-NP-001 to NLH-NP-013, with regard to the above-noted application.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**



Geoffrey P. Young  
Senior Legal Counsel

GPY/cp

cc: Gerard Hayes – Newfoundland Power

Thomas Johnson – Consumer Advocate

**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 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

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**Requests for Information**

**From Newfoundland and Labrador Hydro**

**(Newfoundland Power 2015 Capital Budget Application)**

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Newfoundland and Labrador Hydro

July 18, 2014

**Request for Information from Hydro  
To Newfoundland Power**

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|------------|--|
| NLH-NP-001 | Please provide the MWh production for the Pierre's Brook hydro plant, by year, from 2005 to 2014 Forecast.   |
| NLH-NP-002 | If available, please provide the Derated Adjusted Forced Outage Rate (DAFOR - %) for the Pierre's Brook hydro plant, by year, from 2005 to 2014 Target.  |
| NLH-NP-003 | If available, please provide the total Incapability Factor (ICbF - %) for the Pierre's Brook hydro plant, by year, from 2005 to 2014 Target.   |
| NLH-NP-004 | Please identify the advantages and disadvantages of delaying the proposed Pierre's Brook project by one year, two years and three years.   |
| NLH-NP-005 | Provide details on all evaluations of Newfoundland Power hydro plant refurbishments conducted over the period 2008 to present in which Newfoundland Power determined it was not reasonable to proceed with a proposed capital project to refurbish the hydro plant.  |
| NP-NLH-006 | What is the estimated cost of retirement of the Pierre's Brook hydro plant?  |
| NLH-NP-007 | <p>Page B-3 states <i>"The project will benefit the Company and its customers by providing least cost, reliable energy for years to come."</i></p> <p>Please provide the analysis completed to demonstrate that the Pierre's Brook refurbishment is consistent with the least cost provision of service to its customers over the life of the project.</p> |

NLH-NP-008      Please provide Newfoundland Power's assumption of the system marginal cost of energy following the Labrador Interconnection.

Page 10 of the report "Pierre's Brook Hydro Plant Penstock Replacement and Surge Tank Refurbishment" states *"Energy from Pierre's Brook can be produced at a significantly lower price than the cost of replacement energy, assumed to come from Newfoundland and Labrador Hydro's Holyrood thermal generating station."* The following questions relate to this statement.

NLH-NP-009      Is the cost of replacement energy at Holyrood the basis for which Newfoundland Power determines whether investment in hydro plant refurbishment is appropriate? If not, please explain what other factors are considered.

NLH-NP-010      What is the maximum levelized cost of energy upon which Newfoundland Power would still consider it prudent to proceed with the Pierre's Brook project?

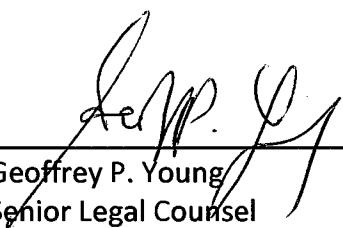
NLH-NP-011      Please provide the estimated fuel cost savings per year from Holyrood, for each year from 2015 to 2018, as a result of the Pierre's Brook refurbishment.

NLH-NP-012      How does the fact that Holyrood will no longer be the basis for the marginal energy cost on the system beyond 2017 play a role in Newfoundland Power's decision-making process to refurbish its hydro plants?

NLH-NP-013      Did Newfoundland Power's evaluation of the Pierre's Brook refurbishment give consideration to the contract for purchases from Muskrat Falls? If not, why not?

**DATED** at St. John's, Newfoundland this 18th day of July, 2014.

**NEWFOUNDLAND AND LABRADOR HYDRO**

Per  \_\_\_\_\_  
Geoffrey P. Young  
Senior Legal Counsel