



Newfoundland Power Inc.

55 Kenmount Road  
P.O. Box 8910  
St. John's, NL A1B 3P6  
Business: (709) 737-5600  
Facsimile: (709) 737-2974  
www.newfoundlandpower.com

HAND DELIVERED

September 4, 2015

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 and Labrador Hydro 2016 Capital Budget Application**

Please find enclosed the original and 12 copies of Newfoundland Power's Requests for Information NP-NLH-001 to NP-NLH-017 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 Hayes  
Senior Counsel

Enclosures

c. Geoffrey Young  
Newfoundland and Labrador Hydro

Thomas Johnson  
O'Dea Earle Law Offices



**IN THE MATTER OF** the *Public*  
Utilities Act, (the "Act"); and

**IN THE MATTER OF** an Application by  
Newfoundland and Labrador Hydro for  
an Order approving: (1) its 2016 capital budget  
pursuant to s.41(1) of the Act; (2) its 2016  
capital purchases, and construction projects  
in excess of \$50,000 pursuant to s.41 (3) (a)  
of the Act; (3) its leases in excess of  
\$5,000 pursuant to s. 41 (3) (b) of the Act;  
and (4) its estimated contributions  
in aid of construction for 2016 pursuant to  
s.41 (5) of the Act.

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

**NP-NLH-001 to NP-NLH-017**

**September 4<sup>th</sup>, 2015**

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## Requests for Information

**Reference:**           **2016 - 2020 Capital Plan, Volume I, Page 6**

NP-NLH-001           What is the anticipated date for “full project completion” for the *100 MW (Nominal) Combustion Turbine Addition – Holyrood* capital project?

**Reference:**           **2016 - 2020 Capital Plan, Volume I, Appendix B, Page B5**

*“Given the synergies between the execution of the TL 267 Project and the Lower Churchill Project, the Lower Churchill Management Corporation will provide all project management, engineering and construction management services for this Project.”*

NP-NLH-002           What is the estimated cost to Hydro of having the Lower Churchill Management Corporation provide all project management, engineering and construction management services for this project?

NP-NLH-003           Provide the analysis completed by Hydro that confirms provision of all project management, engineering and construction management services for this project by the Lower Churchill Management Corporation will result in the project being completed at the lowest possible cost consistent with safe, reliable electric service.

NP-NLH-004           Did Hydro issue a public tender or tenders for the project management, engineering and construction management services for this project?

NP-NLH-005           Does Hydro have the necessary internal project management and engineering resources to undertake the project management, engineering and construction management services for the TL 267 project?

**Reference:**           **Rewind Rotor and Install Flux Probe Unit 3, Volume I, Section C, Page C-12**

NP-NLH-006           Paragraph V. A. 2. C. i. of the *Capital Budget Application Guidelines* (the “Guidelines”) defines Clustered Expenditures as those which would logically be undertaken together. The Guidelines require that clustered expenditures are to be divided between items that are “inter-dependent” and those which are “related”.

With respect to the *Rewind Rotor and Install Flux Probe Unit 3* described in the report at Tab 5 of Volume 2 and the *Overhaul Steam Turbine Generator Unit 3* project described at Volume I, Section C, page C-8, please indicate whether these projects may be defined as “clustered expenditures” within the meaning of the Guidelines. If so, which items are “inter-dependent” and which are related only? If not, why not?

**Reference: Upgrade Distribution Systems, Volume I, Section C, Page C-36**

NP-NLH-007 Provide the basis (unit cost, historical cost, detailed engineering estimates, etc.) of the 2016 and 2017 budget estimates for this project.

NP-NLH-008 Hydro's 2015 Capital Budget Application, Volume I, Section C, Page C-39 also included the project *Upgrade Distribution Systems*. That project description included a 2016 budget estimate of \$818,800. Please explain why the 2016 budget estimate of \$285,600 provided on page C-36 of the 2016 Capital Budget Application is different from the 2016 budget estimate figure of \$818,800 provided in the 2015 Capital Budget Application.

**Reference: Install Automated Meter Reading, Volume I, Section C, Page C-73**

NP-NLH-009 The project involves the installation of Automatic Meter Reading (AMR) equipment in the Labrador City area following the retirement of a meter reader. The project is primarily justified on the results of a cost benefit analysis which shows that the new AMR system has economic benefits over the existing system through a reduction in controllable costs. What is the annual operating cost savings associated with this project in the years following the retirement of the meter reader?

NP-NLH-010 What is Hydro's forecast of the number of AMR meters and non-AMR meters it will have in service at December 31, 2016?

**Reference: Replace Roof on Services Building, Volume I, Section C, Page C-79**

NP-NLH-011 Paragraph V. A. 2. C. i. of the *Capital Budget Application Guidelines* (the "Guidelines") defines Clustered Expenditures as those which would logically be undertaken together. The Guidelines require that clustered expenditures are to be divided between items that are "inter-dependent" and those which are "related".

With respect to the *Replace Roof on Services Building* project, and the *Upgrade Office Facilities and Control Buildings* project found at Volume I, Section C, page C-71, please indicate whether these projects may be defined as "clustered expenditures" within the meaning of the Guidelines. If so, which items are "inter-dependent" and which are related only? If not, why not?

- Reference:** **Upgrade Transformers, Volume I, Section D, Page D-277**
- NP-NLH-012 Paragraph V. A. 2. C. i. of the *Capital Budget Application Guidelines* (the “Guidelines”) defines Clustered Expenditures as those which would logically be undertaken together. The Guidelines require that clustered expenditures are to be divided between items that are “inter-dependent” and those which are “related”.
- With respect to the *Upgrade Transformers* project, the *Additions for Load Growth* project found at Volume I, Section C, page C-38, and the *Replace Diesel Units – Cartwright and Charlottetown* project found at Volume I, Section C, page C-43, please indicate whether these projects may be defined as “clustered expenditures” within the meaning of the Guidelines. If so, which items are “inter-dependent” and which are related only? If not, why not?
- Reference:** **Soldiers Pond to Hardwoods Corridor Upgrade, Volume II, Tab 9, Page 4, Figure 2**
- NP-NLH-013 Please provide a single line diagram for the Soldiers Pond terminal station showing the termination of the six 230 kV transmission lines.
- NP-NLH-014 Please describe, in detail, how Hydro would supply electricity to Newfoundland Power’s customers on the Northeast Avalon Peninsula in the event of an outage to the entire Soldiers Pond terminal station. In the response, please indicate the generation and transmission capacity that would be available on the Northeast Avalon Peninsula should such an outage occur.
- Reference:** **Soldiers Pond to Hardwoods Corridor Upgrade, Volume II, Tab 9, Page 16**
- NP-NLH-015 Please provide a list and estimated cost of the critical spares to be provided in each of the alternatives for increasing the capacity in the SOP-HWD corridor.
- Reference:** **Soldiers Pond to Hardwoods Corridor Upgrade, Volume II, Tab 9, Page 36**
- NP-NLH-016 Does Hydro have the necessary internal project management and engineering resources to undertake the project management, engineering and construction management services for the *Soldiers Pond to Hardwoods Corridor Upgrade* project? If not, how will this project be resourced?

**Reference:** 2015 Capital Expenditure Overview, Volume I, Section I, Page I-16

NP-NLH-017

The total actual expenditure and forecast for the purchase and installation of the *100 MW (Nominal) Combustion Turbine Addition – Holyrood* project is estimated to be \$129,426,200. Provide a detailed breakdown for this estimated expenditure and an explanation for the \$10,500,400 variance.

**RESPECTFULLY SUBMITTED** at St. John's, Newfoundland and Labrador, this 4<sup>th</sup> day of September, 2015.



**NEWFOUNDLAND POWER INC.**  
P.O. Box 8910  
55 Kenmount Road  
St. John's, Newfoundland A1B 3P6

Telephone: (709) 737-5609  
Telecopier: (709) 737-2974