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August 28, 2007

## Via Courier

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

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

Dear Ms. Blundon:

**Re: NLH 2008 Capital Budget Application**

We enclose an original and ten copies of Requests for Information (Industrial Customers to NL Hydro) in the captioned Application, which were also filed and circulated electronically on August 28, 2007.

We trust you will find the enclosed to be in order. Should you have any questions or comments about the enclosed, please do not hesitate to contact the undersigned.

Yours truly,

Stewart McKelvey



Paul L. Coxworthy

PLC/dml

Enclosures

cc. Mr. Geoffery P. Young  
Newfoundland and Labrador Hydro

Mr. Peter Alteen  
Newfoundland Power

Mr. Thomas Johnson  
Consumer Advocate

**IN THE MATTER OF** the *Public Utilities Act* R.S.N 1990 , Chapter P-47 (the “Act”); and

**IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro for an Order approving (1) its 2008 Capital Budget pursuant to s. 41(1) of the Act; (2) its 2008 Capital Purchases, and Construction Projects in excess of \$50,000.00 pursuant to s. 41(3)(a) of the Act; (3) its Leases in excess of \$5,000.00 pursuant to s. 41(3)(b) of the Act; and (4) its estimated contributions in aid of construction for 2008 pursuant to s. 41(s)(5) of the Act and for an Order pursuant to s. 78 of the Act fixing and determining its average rate base for 2006

## **REQUESTS FOR INFORMATION OF THE INDUSTRIAL CUSTOMERS**

### **Re page B-9:**

**IC1-NLH** Identify by reference to specific sections of amended regulations of the legislative changes which are relied upon to justify this being a mandatory project. If such sections adopt portions of the Canadian Electrical Code or other industry standards, reproduce such portions and all associated definitions or related provisions in full.

### **Re page B-14:**

**IC2-NLH** How many total hours of service has the existing generator had and what are the average hours of use per year?

**IC3-NLH** Explain what is meant by campsite loading.

**IC4-NLH** Why is the set being upgraded from 40 kW to 50 kW?

**IC5-NLH** Would any diesel generator retired within the last two years or scheduled for retirement within the next two years be capable of performing the functions intended to be performed by this generator?

**Re page B-18:**

**IC6-NLH** At what age was deteriorated condition noted in the structures at Churchill Falls and at what age were they replaced?

**Re page B-20:**

**IC7-NLH** What, if any, efforts have been made to clean out the piping in question so as to prolong its service life?

**Re page B-23:**

**IC8-NLH** When was the mobile crane replaced by the boom trucks?

**IC9-NLH** Has there been any change in regulations or specific directions from Occupational Health and Safety officials relative to the use of boom trucks which would support classification of this project as mandatory?

**IC10-NLH** Was Hydro aware when retiring the mobile crane that the boom trucks could not safely perform functions previously performed by such crane?

**Re page B-30:**

**IC11-NLH** How long has this trail been in use?

**IC12-NLH** What changes have occurred to bedrock on the trail since its first use so as to require this upgrade?

**Re page B-36:**

**IC13-NLH** According to the Introduction to the SGE Acres report "Evaluation of Fuel Oil Storage Tanks, Associated Pipelines and Dyked Drainage System" (Section H, Tab 2 of Hydro Application), the objective of the assessment was to determine the extent of upgrades required for the tanks, pipelines and drainage, as well as power and lighting system, to extend the useful life of the facility [the Tank Farm] by at least 20 years. Has Hydro determined that the Holyrood Terminal Generating Station will be in service for another 20 years?

**IC14-NLH** With reference to the anticipated Provincial Energy Plan, and/or Hydro strategic planning for future generation, is one of the options still being contemplated the conversion of the Holyrood plant, or its replacement, to natural gas generation? If the natural gas option is chosen, is it probable that it will be implemented within the next 20 years? If the natural gas option is implemented,

what will be the utility of the current configuration of the tank farm (even if upgraded as proposed by this Project)?

**IC15-NLH** The Introduction to the SGE Acres report proposed a four year implementation plan from 2008 to 2011. Hydro, as noted in the Project Description (page B-36), has already elected to defer this Project by one year, with a proposed start of 2009. Could a 20-year extension of the useful life of the tank farm still be obtained if there was a further one-year deferral of the commencement of the bulk of this Project, from a 2009 start to 2010 start (so as to allow for a further year for release of the Provincial Energy Plan and assessment of its impact for the future of the Holyrood plant)?

**IC16-NLH** With reference to page 2-8 of the SGE Acres report (Section H, Tab 2), is the design elevation of the top of the berm “approximately 17.8 m” or is it 17.7 m as later indicated on the same page? If surveys indicate that parts of the main berm are below design elevation by as much as 20 cm, does this indicate that the actual minimum elevation of the berms is at least 17.5 m (or 17.6m)? Does the actual minimum berm elevation (whether 17.6m or 17.5m) achieve the containment volume required by GAP of 44.8 million liters?

**IC17-NLH** Had Hydro determined before commissioning the report at Section H Tab 2 that a phased program of remedial works over a four-year period would be undertaken as referred to in the Introduction to the report at paragraph 2?

**IC18-NLH** Identify specifically from Section 4.2.2 of the report at Section H Tab 2 what work is intended to be performed under this project and confirm that no work other than that outlined in this section is being undertaken.

**IC19-NLH** What parts of the work outlined in Item 3.2 of Table 6.1 in the report are being undertaken?

**IC20-NLH** Show calculation of cost savings, if any, to be expected from undertaking this work in 2008 as opposed to 2009.

**Re page B-38:**

**IC21-NLH** By how much has the 10% benchmark for plugging of tubes been exceeded? Is this an industry benchmark that mandates or recommends replacement of the high pressure heater or is there an alternative industry practice to replacement?

**IC22-NLH** Is there a measured or measurable decrease in performance and efficiency of the high pressure heater due to tube plugging being in excess of 10%?

**IC23-NLH** What would be the dollar cost of deferring this Project for one year, in terms of any increased maintenance, repair and loss of performance and efficiency?

**Re page B-39:**

**IC24-NLH** Is the present "time-shared" CEMS in non-compliance with the new site Certificate of Approval dated February 2006 (Section H, Tab 3 of the Application) ?

**IC25-NLH** With reference to the Certificate of Approval (Section H, Tab 3), has Hydro submitted the plan of proposed action in respect of CEMS referred to at Section 72, page 16 of 20 of the Certificate, and if so has the Director established a deadline for this Project?

**IC26-NLH** Provide copies of all submissions and correspondences of Hydro to the Department, and copies of all notices and correspondences of the Department to Hydro, with respect to this Project.

**Re page B-46:**

**IC27-NLH** With reference to Section 75, page 17 of 20 of the Certificate of Approval (Section H, Tab 3), has the Department given notice to Hydro that it has been shown, via the registered dispersion model, that the Holyrood generating station is not in compliance with the noted Regulations, so as to trigger the requirement to complete stack emissions testing every two years? If so, provide a copy of the notice.

**IC28-NLH** With reference to the Project Justification, identify where it is decreed in the Certificate of Approval (Section H, Tab 3) that Hydro must submit to the Department a plan to achieve compliance, by June 2008?

**Re page B-55:**

**IC29-NLH** How has Hydro, or the Department, determined that the opacity exceedences are related to sootblowing? If it was the Department that made this determination, how was Hydro notified ?

**Re page B-56:**

**IC30-NLH** What has been the cost, in the last five years, of the installation of borosilicate tiles to slow corrosion?

**IC31-NLH** What would be the anticipated cost, for the next five years, of the installation of borosilicate tiles to slow corrosion?

**Re page B-84:**

**IC32-NLH** With reference to Hydro's response to IC27-NLH in the 2007 Hydro Capital Budget, and specifically subsection (f) of that response, please update Hydro's response with respect to those recommendations that had not been followed or completed, namely R4, R6, R8 and R10.

**Re page B-93:**

**IC33-NLH** Provide copies of Hydro's record of its consultations to date with the Department of Transportation and Works, including correspondence and memoranda, regarding this Project.

**Re page B-89:**

**IC34-NLH** Describe in detail the use to which this building has been put and provide specifics of each such utilization in the last ten years, including the length of time on each occasion that the building was occupied.

**IC35-NLH** What alternatives were considered to construction of a new building?

**IC36-NLH** Explain fully why temporary accommodations such as tents are not capable of filling the need.

**Re page B-151:**

**IC37-NLH** Confirm that of all costs associated with this project are properly assigned specifically to Hydro Rural Customers.

**Re page B-158:**

**IC38-NLH** Provide maintenance records for the two units being replaced for the past two years.

**IC39-NLH** How many hours of service has each of the units had in each of the past two years?

**IC40-NLH** Would the acquisition of the new vehicles allow retirement of other vehicles now used for crew transport or other equipment such as excavators?

**Re page B-162:**

**IC41-NLH** Provide a report showing work undertaken by individual site involving the installation of fixed equipment relative to fall arrest protection in each of the years 2005 through 2007.

**IC42-NLH** What, if any, mobile or temporary fall protection equipment has been acquired by Hydro since 2005?

**IC43-NLH** Provide the lists of sites by region referred to in the Project Justification and priority ratings for each site.

**Re page B-166:**

**IC44-NLH** Describe the system currently in place for Work Protection at Holyrood, including the protocols for issuance of work permits.

**IC45-NLH** Provide a breakdown of where the other 80% of the losses and near misses since 1998 have occurred.

**IC46-NLH** Provide a copy of the Work Protection Code.

**IC47-NLH** Provide the criteria by which incidents are characterized as major, moderate and minor as referenced in the Operating Experience Section at page B-166.

**IC48-NLH** Provide particulars, including any existing reports and safety incident investigations, on the four major incidents and 25 moderate incidents at Holyrood since 1998.

**IC49-NLH** How will the proposed computer system reduce the number of operational errors and safety incidents, over and above what would be achieved by Hydro's stricter enforcement of current operational and safety procedures?

**Re page B-192:**

**IC50-NLH** Provide a complete description of the existing public address system, number and location of speakers, number and location of devices by which broadcasts may be made and indicate whether any personal pagers or other mobile devices are part of the system.

**IC51-NLH** Provide a complete description of the proposed new system including number and location of speakers, number and location of devices by which broadcasts may be made and indicating whether any personal pagers or other mobile devices are part of the system.

**IC52-NLH** Indicate what alternatives have been considered including personal pagers or two-way radios for each person operating outside an office environment at Holyrood.

**IC53-NLH** Are there advantages to the use of personal pagers in high noise level areas where broadcasts may not be heard?

**Re page B-212:**

**IC54-NLH** Provide the established professional and legal standards referred to in the Project Justification which set the specific standard of care which Hydro seeks to achieve by this project.

**IC55-NLH** What amount has Hydro or its insurers paid out relative to liability claims since 2001 which would likely have been avoided if the measures proposed in this project were implemented?

**IC56-NLH** Can anything that occurs on the Island Interconnected System impact any other utility in Canada or elsewhere?

**IC57-NLH** Provide copies of the consultant managed studies commissioned by Hydro in 2003 and 2005.

**DATED** at St. John's, this *30<sup>th</sup>* day of August, 2007.

**POOLE ALTHOUSE**

Per: *Paul J. Hutchings*  
*for* Joseph S. Hutchings, Q.C.

**STEWART MCKELVEY**

Per: *Paul J. Hutchings*  
Paul L. Coxworthy



TO: The Board of Commissioners of Public Utilities  
Suite E210, Prince Charles Building  
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P.O. Box 21040  
St. John's NL A1A 5B2  
Attention: Board Secretary

TO: Newfoundland & Labrador Hydro  
P.O. Box 12400  
500 Columbus Drive  
St. John's NL A1B 4K7  
  
Attention: Geoffrey P. Young,  
Legal Counsel

TO: Thomas Johnson, Consumer Advocate  
O'Dea, Earle Law Offices  
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TO: Newfoundland Power Inc.  
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55 Kenmount Road  
St. John's NL A1B 3P6  
  
Attention: Peter Alteen,  
Legal Counsel