

IN THE MATTER OF

the *Electrical Power Control Act*, RSNL 1994,
Chapter E-5.1 (the "*EPCA*") and the
Public Utilities Act, RSNL 1990,
Chapter P-47 (the "*Act*"), as amended;

AND

IN THE MATTER OF

an Application by Newfoundland and Labrador Hydro ("Hydro") for an Order:

- 1) approving its 2012 capital budget, pursuant to s.41(1) of the *Act*;
- 2) approving its 2012 capital purchases, and construction projects in excess of \$50,000, pursuant to s.41(3)(a) of the *Act*;
- 3) approving its leases in excess of \$5,000 pursuant to s. 41(3) of the *Act*;
- 4) approving its estimated contributions in aid of construction for 2012, pursuant to s. 41(5) of the *Act*; and
- 5) fixing and determining its average rate base for 2010, pursuant to s. 78 of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION
PHASE II**

P2-PUB-NLH-74 to P2-PUB-NLH-80

Issued: October 18, 2011

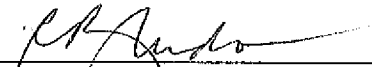
- 1 **P2-PUB-NLH-74** The response to P2-IC-NLH-34 states the estimated cost of installing a self
2 regulating stainless steel heat tracing system in 2002 was \$1.12 million.
3 The estimated cost for the proposed 2012 capital project to Replace Fuel Oil
4 Heat Tracing, B-9, is \$2.89 million. Explain in detail the differences
5 between these two estimated costs.
6
- 7 **P2-PUB-NLH-75** The response to P2-IC-NLH-32 states that the failure of the electric heat
8 tracing system after the repairs between 2002 and 2004 was due to "*a Hydro*
9 *error*". The response to P2-PUB-NLH-49 states that the 2002 decision on
10 the heat tracing system was based on one of the options provided to Hydro
11 by Tyco. It is unclear from responses provided whether Tyco recommended
12 the 2002 system. Explain in detail the roles played by Hydro and by Tyco in
13 the final decision to select the 2002 heat tracing system.
14
- 15 **P2-PUB-NLH-76** The response to P2-PUB-NLH-64 states that a Level 2 assessment of the gas
16 turbine plant at Holyrood was conducted in 2011. At the Technical
17 Conference on October 13, 2011, it was stated that the Level 2 assessment
18 was completed under the project approved for the Phase 1 assessment at the
19 Holyrood Plant. Confirm whether this is correct and provided the revised
20 scope for the Phase 1 study to provide for a Level 2 assessment of the gas
21 turbine plant.
22
- 23 **P2-PUB-NLH-77** P. 6 of the 2012 Capital Plan states that the 5-year plan is under "*substantive*
24 *review*" and will be updated in the December 2011 Quarterly Report to the
25 Board. This was confirmed at the Technical Conference on October 13,
26 2011. Will the review now in progress affect in any way the proposed 2012
27 capital projects for which Hydro is currently seeking approval? If so, what
28 change is anticipated?
29
- 30 **P2-PUB-NLH-78** P2-PUB-NLH-73 asked for a list of the AMEC recommendations that
31 related to the continued operation of the Holyrood Plant as a generator and
32 not a synchronous condenser. The response states that it applies to
33 recommendations that relate to "*generation only*". However, on p. 4 the
34 generator stator rewinds of Units 1 and 2 are listed. Please confirm whether
35 the generator stator rewinds are required for generation purposes only and
36 whether any other recommendations listed in the response to P2-PUB-NLH-
37 73 are required for both generation and synchronous condenser modes.
38
- 39 **P2-PUB-NLH-79** In Section 12 of the AMEC Condition Assessment & Life Extension Study,
40 Table 12-2, on p. 3 gives the total budget for Phase II as \$22,580,000. The
41 major overhauls for Units 1, 2 & 3 are included in these numbers. Please
42 provide a table similar to Table 12-2 listing the amounts related to the major
43 overhauls of the Units as separate items.
44
- 45 **P2-PUB-NLH-80** The report Upgrade Unit 1 Stack Breeching, July 2011, p. 5 states "*After the*
46 *modifications to the FD fans were complete and the Unit 1 breeching had*

1 *been in service for a one-year period, an internal inspection of the*
2 *breeching took place. The inspection revealed considerable erosion*
3 *damage to the borosilicate insulation. Some of the borosilicate blocks had*
4 *fallen away from the walls and ceiling. The erosion was attributed to the*
5 *increased FD fan capacity which delivered an increased volume of air at*
6 *higher average flue gas velocity of 50 feet per second compared to the*
7 *original velocity at 43 feet per second. Erosion of the internal borosilicate*
8 *insulation liner has been an ongoing issue inside the Unit 1 stack breeching*
9 *since Unit 1 was up-rated.” Further to response P2-PUB-NLH-59, as the*
10 *insulation was rated for 120 ft/sec, how did the up-rate have any effect on*
11 *the insulation from an erosion perspective? What other issues could have*
12 *caused the insulation to erode?*

DATED at St. John’s, Newfoundland this 18th day of October, 2011.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per


Cheryl Blundon
Board Secretary