

IN THE MATTER OF the *Public Utilities Act*,
R.S.N.L., c.P-47 (the "Act"); and

IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro for an
Order approving: (1) its 2012 capital budget
pursuant to s. 41(1) of the Act; (2) its 2012 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 2012 pursuant to s. 41 (5)
of the Act and for an Order pursuant to s. 78 of
the Act fixing and determining its average rate
base for 2010.

To: Board of Commissioners of Public Utilities

**Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 12040
St. John's, NL A1A 5B2
Attention: Ms. G. Cheryl Blundon,
Director of Corporate Services and Board Secretary**

CA-NLH-01 Re: 2012 Capital Plan

Please provide an overall ranking of all proposed projects in Phase I and
Phase II in terms of priority.

CA-NLH-02 Re: 2012 Capital Plan

Please rank, in terms of priority, the proposed projects in Phase I only.

CA-NLH-03 Re: 2012 Capital Plan

Further to the answer provided to CA-NLH 04 in last year's Capital Budget Application, has there been any further updates or modifications to Hydro's Project Prioritization methodology?

CA-NLH-04 Re: 2012 Capital Plan

Are there any Phase I projects which can reasonably be deferred?

CA-NLH-05 Re: 2012 Capital Plan

At page 18, paragraph 2, it is outlined that, " Over the past several years, industrial demand has declined from the closure of two paper mills and a reduction at a third, however there is substantial growth occurring particularly on the Avalon Peninsula, which is expected to cause demand to climb back to historical levels and beyond." Please provide all information relied upon for determining that demand will increase to historical levels and beyond. What "historic levels" are Hydro referring to?

CA-NLH-06 Re: Replace Fuel Tank-Burnt Dam (Tab C)

At page C-8 it states "the remote location of Burnt Dam contributes significantly to the overall cost of this project, resulting in it being a higher cost than comparable upgrades at more readily accessible sites." Why not install the tank at or near the Granite facility instead of at Burnt Dam from both a cost and operations point of view?

CA-NLH-07 Re: Replace Fuel Storage Tanks at St. Lewis, Labrador (Tab C)

Beginning at page C-10, the rationale for replacing fuel storage tanks is outlined. What is the rationale for not requiring the restoration of the earthen dyke as a precaution for environmental damage with Alternative 2?

CA-NLH-08 Re: Replace Light-Duty Mobile Equipment (Tab C)

Page C-119, please provide the year, make, model and kilometers as appropriate for all snowmobiles, all terrain vehicles, light duty trailers and heavy duty trailers that are proposed to be replaced.

CA-NLH-09 Re: Legal Survey and Primary Distribution Line Right of Way (Tab D)

At page D-102, Table 4 shows that Hydro is significantly increasing annual expenditures on this initiative as compared to previous years (see Table 3 at D-100). Please explain why it would not be reasonable to scale back this initiative to keep it in line with traditional patterns.

CA-NLH-10 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

At page 7, Hydro outlines that, "A review of work order history indicates that there have been at least four occasions when a gate could not be opened or closed due to cold temperatures, ice accumulation, or hardening of the grease for the gate hoist grooves stems." Is the hardening of the grease for the gate hoist grooves stems also associated with cold? If this is the case, and cold appears to be an issue of concern, how does the anticipated refurbishment address the issues of ice accumulation, cold temperatures and hardening of grease?

CA-NLH-11 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

At page 10, Hydro makes reference to the Hatch Engineering Report, 2008, Appendix A, which outlined that the Burnt Spillway had the lowest overall Health Index when compared to the seven other hydraulic structures of similar vintage within the Bay d'Espoir development. The Health Index found at page A-6 indicates that Hatch rated Burnt Spillway a 66. In the corresponding Health Index scale, a 66 Health Index is listed as a good condition. Requirements outline an increase inspection or testing with a consideration to replacement or rehab for deteriorated items. Given this good Health Index, why is it necessary to make this refurbishment at this stage?

CA-NLH-12 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

At page 10, at Appendix B, it states that a full condition assessment for repairs can only be developed on completion of a site inspection and a detailed shop disassembly and inspection. How long will such an inspection take? Is the budget estimate in terms of hours found at Appendix B, 4.0, page B-24 still assumed to be accurate?

CA-NLH-13 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

At pages 10 and 11, reference is made to a 2006 incident when the gates at Burnt Spillway failed to operate as required. What was the cause for this failure?

CA-NLH-14 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

At page 1 Hydro states that "...order No. P.U.B. 38 (2010) indicated that for future work at the Burnt Dam Spillway Hydro would have to provide

updated evidence from that which was provided in its 2011 Capital Budget Application." Appendix A outlines a report from Hatch dated May 22, 2009. Has this been updated?

CA-NLH-15 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

What is the "updated evidence" that Hydro is referring to at page 1?

CA-NLH-16 Re: Burnt Spillway Refurbishment Volume II (Tab 6)

Reference: page A-24, section 4.3, please provide the four work orders issued since 2005 that dealt with the gate failing to operate.

CA-NLH-17 Re: 2012 Wood Pole Line Management Volume II (Tab 13)

At page 4, the project description for the wood pole line management system is as follows, "The program is aimed at early detection and treatment of the wood poles before the integrity of the structures are jeopardized." If during core sampling preservative levels are determined to be below the required design criteria (page 2) what preventative measures are taken to treat the wood pole?

CA-NLH-18 Re: 2012 Wood Pole Line Management Volume II (Tab 13)

If, during core drilling, the preservative levels of the pole are below the amount required to maintain the desired design criteria, at what level does Hydro determine that the pole needs to be replaced rather than treated?

CA-NLH-19 Re: 2012 Wood Pole Line Management Volume II (Tab 13)

Has Hydro been keeping track of the amount of poles treated versus replaced since the inception of this program?

CA-NLH-20 Re: 2012 Wood Pole Line Management Volume II (Tab 13)

How does Hydro propose to measure the success of the wood pole line management program to see if it is actually a benefit?

CA-NLH-21 Re: Distribution System Additions to Accommodate Load Growth Volume II (Tab 14)

In relation to the Bay d'Espoir distribution feeder L1, is there any evidence filed to support the need to replace the poles and structures as outlined at 1.2.1 and the Project Description?

CA-NLH-22 Re: Upgrade Circuit Breakers Volume II (Tab 15)

Page 12. What is the status of the extension being sought by Hydro for removal of PCBs as outlined in Section 3.11, Environmental Performance.

CA-NLH-23 Re: Upgrade Circuit Breakers Volume II (Tab 15)

Hydro has outlined that it plans to use a combination of overhauls and replacement for both air blast and SF6 breakers which Hydro argues will extend the life of the existing breakers prior to a replacement. Is Hydro requesting that the Board to approve its overhaul and replacement regime?

CA-NLH-24 Re: Upgrade Circuit Breakers Volume II (Tab 15)

If the theory is that overhauling the air blast breakers will extend the life of the unit for approximately 15 years, which will allow a useful life for the

breaker to Hydro for a period of 50 to 55 years, and Hydro's plan is to replace the air blast breakers with the age of same being between 50 to 55 years (3.8 of the recommendations, page 11), why at Appendix A and specifically page A2 are the majority of replacements for the said breakers below 50 years and none above the age of 50?

CA-NLH-25 Re: Upgrade Power Transformers Volume II (Tab 17)

At page 5, Hydro outlines that a DP number of less than 400 will be up for replacement within a three to five year window. It is noted that Hydro has chosen 400 as the target to allow adequate time to plan a replacement for the 200 threshold indicating near the end of service life is reached. Time for delivery of a power transformer is outlined to be approximately 18 to 24 months after receipt of an order. Does Hydro have any information as to the length of time a transformer typically reaches a DP number of 200 or less?

CA-NLH-26 Re: Upgrade Power Transformers Volume II (Tab 17)

Are there any specific industry standards to support Hydro's planned replacement strategy?

CA-NLH-27 Re: Upgrade Power Transformers Volume II (Tab 17)

Please provide copy of the Hartford's Team Boiler Institute Report which outlines the average life of utility transformer, referred to on page 15.

CA-NLH-28 Re: Upgrade Power Transformers Volume II (Tab 17)

What is a Furan Analysis?

CA-NLH-29 Re: Upgrade Power Transformers Volume II (Tab 17)

What are all considerations in the transformer priorities score?

CA-NLH-30 Re: Automated Meter Reading Volume II (Tab 19)

In Section 4.3 it is stated "the savings result primarily from the reduction in labour costs in not requiring meter readers to visit each customer site to read their meter." Will any employees be losing their positions with Hydro due to the implementation of an automated meter reading system? If so, what are the forecasted numbers? Has the potential cost of severance packages, payment of accumulated benefits, etc. been factored into the calculations by Hydro?

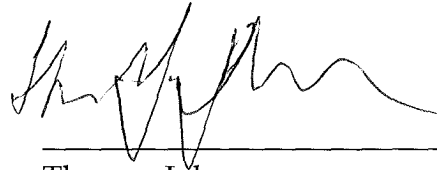
CA-NLH-31 Re: Stationary Battery and Charger Replacement Program Volume II (Tab 21)

Please outline how often Hydro Personnel test the batteries using a conductance tester as referenced on page 7?

CA-NLH-32 Re: JD Edwards Upgrade Project Volume II (Tab 22)

At page 6 Hydro states "This project is justified because premier (highest level) support for Hydro's outstanding JDE version A7.3 expires December 31, 2013." In light of the fact that the aforesaid support does not expire for another 2 plus years, why is this project necessary in 2012?

DATED at St. John's, in the Province of Newfoundland and Labrador, this 7th day of September, 2011.



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