

WHENEVER. WHEREVER.
We'll be there.



HAND DELIVERED

September 8, 2016

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 2017 Capital Budget Application

Please find enclosed the original and 12 copies of Newfoundland Power's Requests for Information NP-NLH-001 to NP-NLH-006 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,

A handwritten signature in black ink, appearing to read "Gerard Hayes".

Gerard Hayes
Senior Counsel

Enclosures

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 737-5609 • FAX (709) 737-2974 • ghayes@newfoundlandpower.com

c. Tracey Pennell
Newfoundland and Labrador Hydro

Thomas O'Reilly, QC
Vale NL Ltd.

Sheryl Nisenbaum
Praxair Canada Inc.

Thomas Johnson, QC
O'Dea Earle Law Offices

Paul Coxworthy
Island Industrial Customer

Larry Bartlett
Teck Resources Ltd.

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 2017 capital budget
pursuant to s.41(1) of the Act; (2) its 2017
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 2017 pursuant to
s.41 (5) of the Act.

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

NP-NLH-001 to NP-NLH-006

September 8, 2016

Requests for Information

Reference: **2017 Capital Projects Overview, Volume I, Page 8**

“Therefore, based on the issues noted above and the results of condition assessments of the Hardwoods and Stephenville gas turbines, Hydro has planned for refurbishment of these facilities to ensure that they operate reliably and that their useful service lives can be extended as long as can be financially justified. The maintenance of the gas turbines at Hardwoods and Stephenville Gas Turbine will remain a part of Hydro’s integrated generation plan until their expected retirement in 2025 and 2028 for Hardwoods and Stephenville, respectively.”

NP-NLH-001 In the response to Request for Information NP-NLH-015 of its *Gas Generator Refurbishment – Hardwoods and Stephenville* Application dated May 19, 2016, Hydro stated:

“However, given the recent changes in the Units operating regime to support system reliability, Hydro is planning to revisit the long term strategy for Hardwoods and Stephenville Gas Turbines. Consideration for repowering of both facilities will be included in the analysis.”

Please provide an update on the status of any analysis that has been undertaken, or is planned to be undertaken, by Hydro in relation to this Application.

NP-NLH-002 If the analysis referred to in Request for Information NP-NLH-015 of Hydro’s *Gas Generator Refurbishment – Hardwoods and Stephenville* application has not been completed, would the life extension projects proposed by Hydro in its 2017 Capital Budget Application be premature? If not, please explain.

Reference: **Provide Service Extensions, Volume I, Page C-47**

“In recent years, rural areas of the Island have generally experienced increased expenditures for service extensions due to customer growth and economic activity.”

NP-NLH-003 Please provide the number of customer connections by service area for each of the past five years, as well as the number of projected connections for 2017.

Reference: Upgrade Distribution Systems – All Service Areas, Volume I, Page C-50

“The forecast budget estimate for 2017 is based on an analysis of the historical expenditures for distribution upgrading by region supplemented with regional planning input with respect to future activity expenditure levels. The 2017 budget for the Central region is based on the level of expenditures experienced in 2015. The 2017 budget developed for the Northern region is based on the five-year average for distribution system upgrades for the period 2011-2015. The 2017 budget developed for the Labrador region is based on the expenditures experienced in 2014. Inflation adjusted budgets for 2017 were developed assuming distribution upgrading cost escalation of approximately 2% over 2016.”

NP-NLH-004 Please explain why different historical periods were used to determine the budget for Hydro’s various regions.

Reference: Replace Power Transformers – Oxen Pond, Volume III, Tab 27

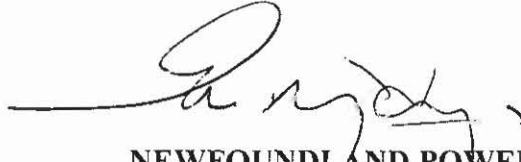
NP-NLH-005 Was oil and gas analysis completed on OPD GT1 prior to failure? If yes, did the results indicate a problem with the transformer prior to failure that would justify replacement as per the justification criteria on page 6 of Tab 27?

Reference: In its August 12, 2016 letter to the Board in relation to The Board’s Investigation and Hearing into Supply Issues and Power outages on the Island Interconnected System – Phase Two – Filing of AMEC Report, Hydro states:

“Based upon their calculations for Unit 3, AMEC recommends operating at 90% of the operating pressure and replacement of some tubes within the next year.”

NP-NLH-006 Does Hydro’s Application include capital expenditures that will be used to replace some of the Unit 3 boiler tubes as recommended by AMEC? If not, does Hydro intend to file a supplemental capital budget application for the replacement of some Unit 3 boiler tubes?

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 8th day of September, 2016.

A handwritten signature in black ink, appearing to read 'D. [unclear]', written over a horizontal line.

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

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