

WHENEVER. WHEREVER.
We'll be there.



August 22, 2023

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

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro – 2024 Capital Budget Application

Please find enclosed Newfoundland Power's Requests for Information NP-NLH-001 to NP-NLH-011 in relation to the above-noted Application.

If you have any questions regarding the enclosed, please contact the undersigned.

Yours truly,

A handwritten signature in blue ink that reads "D. Foley".

Dominic Foley
Legal Counsel

ec. Shirley Walsh
Newfoundland & Labrador Hydro

Dennis M. Browne, K.C.
Browne Fitzgerald Morgan & Avis

Paul L. Coxworthy
Stewart McKelvey

Denis J. Fleming
Cox & Palmer

Senwung F. Luk
Olthuis Kleer Townshend LLP

Dean A. Porter
Poole Althouse

Nick Kennedy
Olthuis Kleer Townshend LLP

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 891C • St. John's, NL A1B 3P6

PHONE (709) 737 5500 ext. 6200 FAX (709) 737-2974 • dfoley@newfoundlandpower.com

IN THE MATTER OF the Public Utilities Act,
RSNL 1990, c P-47 ("Act"); and

IN THE MATTER OF an application by
Newfoundland and Labrador Hydro ("Hydro")
for approval of: (i) its capital budget for 2024,
pursuant to Section 41(1) of the Act, (ii) its
proposed capital purchases and construction
projects for 2024 in excess of \$750,000,
pursuant to Section 41(3)(a) of the Act, and
(iii) for an Order, pursuant to Section 78 of
the Act, fixing and determining its average
rate base for 2022 ("Application").

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

NP-NLH-001 to NP-NLH-011

August 22, 2023

Requests for Information

NP-NLH-001 **Reference: 2024 Capital Budget Application – Addendum – Capital Expenditures and Carryover Report for the Year Ended December 31, 2022, page 49, Table 3: 2022 Carryover Report for the Year Ending December 31, 2022 (\$000).**

Does Hydro anticipate that carryover work will continue to be compounded in future years? If not, please explain how Hydro will avoid future carryovers.

NP-NLH-002 **Reference: 2024 Capital Budget Application – Addendum – Capital Expenditures and Carryover Report for the Year Ended December 31, 2022, page 49, Table 3: 2022 Carryover Report for the Year Ending December 31, 2022 (\$000).**

Please explain whether any of the projects listed in Table 3 are essential to the reliable operation of supply on the Island Interconnected System and whether the carryover work associated with the projects create a supply risk to customers on the Island Interconnected System.

NP-NLH-003 **Reference: Order No. P.U. 2 (2023) Reasons for Decision, page 18, lines 37 to 40.**

Is Hydro anticipating any additional supplemental capital budget applications through the remainder of 2023? If so, please provide a description of each expected supplemental capital budget application.

NP-NLH-004 **Reference: 2024 Capital Budget Application (Revision 1), 2024 Capital Budget Overview, page 31, Footnote 45.**

"Hydro's ongoing project to replace Hydro's residential and general service metering system is driven primarily by the opportunity for cost savings associated with drive-by metering..."

Please provide an update on Hydro's project to replace its residential and general service metering system including whether there has been any change to the scope, budget, or schedule since the project was initially approved by the Board.

NP-NLH-005

Reference: 2024 Capital Budget Application (Revision 1), Program 1, Replace Light – and Heavy-Duty Vehicles (2024-2026), page i, line 17.

"Hydro is proposing the replacement of 30 light-duty and 8 heavy-duty vehicles under the proposed scope of this program."

Please provide a list of vehicles proposed for replacement including the age and kilometers of each vehicle.

NP-NLH-006

Reference: 2024 Capital Budget Application (Revision 1), Program 7, Wood Pole Line Management Program (2024), page 14, Table 8.

- a) Please provide a copy of the Wood Pole Line Management Program Progress Report (2018-2022), April 21, 2023.
- b) Please provide a table showing the components listed in Table 8 broken out by transmission line number.

NP-NLH-007

Reference: 2024 Capital Budget Application (Revision 1), Program 8, Upgrade Power Transformers (2024-2025), page 6, Table 1.

Please confirm that there were no sustained forced outages in the years 2018, 2019, 2020, or 2021.

NP-NLH-008

Reference: 2024 Capital Budget Application (Revision 1), Project 7, Replace VHF Radio System (2024-2025).

Please provide the current operating costs associated with Hydro's existing VHF communications system and the estimated operating costs associated with its Replace VHF Radio System project.

NP-NLH-009

Reference: 2024 Capital Budget Application (Revision 1), Project 8, Purchase Accommodations Trailers (2024-2025), page 2, lines 15 to 19.

"The communities of Cartwright and Makkovik offer limited viable accommodation options. The lone hotel in Makkovik contains only five bedrooms, which are often unavailable, particularly during the summer construction season. To mitigate availability issues, Hydro has historically availed of private rental agreements. These accommodations often contain an insufficient number of bedrooms and are inadequate to satisfy the needs of personnel."

Hydro proposes to spend approximately \$1.6 million for the purchase and installation of two accommodations trailers in Cartwright and Makkovik for its employees to utilize while working in those communities.

- a) Has Hydro consulted with the communities regarding its need for accommodations and what alternatives may be available? If not, why not?
- b) Has Hydro consulted with the communities and any contractors serving the communities regarding the cost to construct four bedroom dwellings within the communities as opposed to purchasing and installing prefabricated accommodations trailers? If not, why not?
- c) Considering the high cost of constructing and installing the two accommodations trailers, has Hydro inquired whether any property owners in Cartwright or Makkovik would be interested in selling property to Hydro that can be used to temporarily house its employees when working in the communities? If not, why not?
- d) Please confirm that the cost of the proposed accommodations trailers for Hydro's employees will largely be borne by Newfoundland Power's customers through the Rural Deficit.

NP-NLH-010

Reference: 2024 Capital Budget Application (Revision 1), Project 9, Replace MDR8000 Microwave Radios (2024-2025), page i, lines 22 to 24.

"There are no viable alternatives to the replacement of these networks due to the general geography of the sites combined with Hydro's technical requirements. As such, Hydro proposes the replacement of these obsolete systems to ensure reliable service is maintained."

Has Hydro considered whether satellite communications may be a viable option for replacing its microwave radios? If so, please explain why it is not a viable alternative. If not, why not?

NP-NLH-011

Reference: 2024 Capital Budget Application (Revision 1), Project 13, Replace Power Line Carrier (2024-2025), page i, lines 22 to 24.

"Hydro recommends the like-for-like replacement of the proposed PLC system. There are no viable alternatives for communications in the affected service area and the increasing risk of failure associated with deferral is not acceptable once the useful service life has been exceeded."

Has Hydro considered whether satellite communications may be a viable alternative for replacing its powerline carrier system? If so, please explain why it is not a viable alternative. If not, why not?

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 22nd day of August, 2023.



NEWFOUNDLAND POWER INC.

P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6

Telephone: (709) 737-5500 ext. 6200

Telecopier: (709) 737-2974