

WHENEVER. WHEREVER.
We'll be there.



October 6, 2023

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

Attention: Jo Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland and Labrador Hydro – 2024 Capital Budget Application

Please find enclosed Newfoundland Power's Requests for Information NP-NLH-012 to NP-NLH-015 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 "Dominic Foley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dominic Foley
Legal Counsel

ec. Shirley Walsh
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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-012 to NP-NLH-015

October 6, 2023

Requests for Information

NP-NLH-012

Reference: Request for Information CA-NLH-014.

"Hydro has assumed that two units will be required to be online through the winter period; however, the number of units and level of production is dependent on system conditions. If the Labrador-Island Link ("LIL") is found to perform well for an extended period and system conditions permit, Hydro may have the opportunity to strategically remove the Holyrood TGS units from operation."

How did Hydro determine it would be appropriate to operate the Holyrood TGS with two units online as opposed to three? Please provide any analysis used by Hydro to make the decision.

NP-NLH-013

Reference: Request for Information CA-NLH-014.

"Hydro has assumed that two units will be required to be online through the winter period; however, the number of units and level of production is dependent on system conditions. If the Labrador-Island Link ("LIL") is found to perform well for an extended period and system conditions permit, Hydro may have the opportunity to strategically remove the Holyrood TGS units from operation."

Please explain the extent to which Hydro would expect rotating customer outages in the event of a LIL outage during peak winter conditions with two, as opposed to three, Holyrood TGS units online. In the response please explain whether the third Holyrood TGS unit would need to be brought online to address a LIL outage during peak winter conditions and, if so, how long it would take to bring a third Holyrood TGS unit online.

NP-NLH-014

Reference: Request for Information CA-NLH-014.

"Hydro has assumed that two units will be required to be online through the winter period; however, the number of units and level of production is dependent on system conditions. If the Labrador-Island Link ("LIL") is found to perform well for an extended period and system conditions permit, Hydro may have the opportunity to strategically remove the Holyrood TGS units from operation."

What criteria (i.e. LIL reliability and system conditions) would Hydro use to determine whether Holyrood TGS units can be removed from operation?

NP-NLH-015

Reference: Request for Information PUB-NLH-037.

"At this time, analysis of the expenditures has shown that a three-year average with cost escalation as required generates an accurate estimate for these programs, as it better reflects price variability."

- a) Has Hydro always used three-year averages for estimating program expenditures? If not, please explain when the change in methodology occurred and what the nature of previous methodology was (i.e., if a five-year average was employed).
- b) In applying cost escalations, does Hydro adjust its actual expenditures for inflation, such as the GDP deflator for Canada or labour inflation rates? If so, please provide Hydro's cost escalation factors. If not, why not?

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 6th day of October, 2023.



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