



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2019-08-12

Newfoundland Power Inc.

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Dear Madams/Sir:

Re: Newfoundland Power Inc. – 2020 Capital Budget Application – Requests for Information

Enclosed are Information Requests PUB-NP-001 to PUB-NP-008 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/cs

ecc **Newfoundland Power Inc.**
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1 **IN THE MATTER OF** the *Public*
2 *Utilities Act*, (the “Act”); and

3
4 **IN THE MATTER OF** capital expenditures
5 and rate base of Newfoundland Power Inc.; and

6
7 **IN THE MATTER OF** an application by
8 Newfoundland Power Inc. for an order pursuant
9 to Sections 41 and 78 of the Act:

- 10 (a) approving a 2020 Capital Budget of \$96,614,000;
11 (b) approving certain capital expenditures related to
12 multi-year projects commencing in 2020; and
13 (c) fixing and determining a 2018 rate base of
14 \$1,117,341,000
15

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NP-001 to PUB-NP-008

Issued: August 12, 2019

- 1 **PUB-NP-001** Please identify and demonstrate what considerations and subsequent actions
2 have been taken by Newfoundland Power to control and/or reduce capital
3 expenditures while maintaining reliable service?
4
- 5 **PUB-NP-002** (a) Has Newfoundland Power given consideration to how possible outcomes
6 of the rate mitigation reference might affect the 2020 Capital Budget?
7
8 (b) Should any potentially affected projects, such as the Customer Service
9 System, be deferred for future evaluation pending decisions on rate
10 mitigation actions?
11
- 12 **PUB-NP-003** Given the current pressures on customer rates has Newfoundland Power
13 considered whether there is an opportunity to delay or reduce capital
14 expenditures? For example, has Newfoundland Power considered whether
15 continued expenditures on Distribution Automation are necessary to ensure
16 the continued provision of safe and reliable electricity supply to customers in
17 2020?
18
- 19 **PUB-NP-004** The budget for a number of annual projects, such as Replacements due to In-
20 Service Failures - \$3,269,00, page 17 of 91; Extensions (Pooled) -
21 \$11,318,000, page 28 of 91; Street Lighting - \$2,635,000, page 36 of 91;
22 Transformers - \$6,581,000, page 39 of 91 and Reconstruction - \$5,513,000,
23 page 41 of 91, are based on historical expenditures with an adjustment for
24 inflation.
25
26 (a) Please identify any other budgeting tools/protocols that Newfoundland
27 Power utilizes to ascertain the required budget amount.
28
29 (b) Please explain how Newfoundland Power tracks the annual spending on
30 these projects and any budget safeguards that are in place.
31
32 (c) Please identify any cost efficiency measures that Newfoundland Power
33 has put in place to control and monitor the budget for these annual
34 projects.
35
36 (d) Are there any opportunities to reduce the level of expenditures
37 associated with these types of projects? Please identify any issues that
38 should be addressed when considering whether these capital
39 expenditures can be reduced.
40
- 41 **PUB-NP-005** In response to PUB-NP-005 in its 2015 Capital Budget Newfoundland Power
42 stated:
43
44 The addition of CHIKM and CIKM as screens for assessing
45 reliability performance will not necessarily result in materially
46 increased expenditures to improve distribution reliability. It will
47 however, result in a more informed screening process which should
48 result in more cost effective reliability assessment and improvement
49 over the long term.

- 1
2 Has Newfoundland Power reviewed the impact of using CHIKM and CIKM
3 as screens on its distribution reliability projects and expenditures to
4 determine if expenditures have increased using these measures and if these
5 measures have resulted in greater cost effective reliability assessments?
6
- 7 **PUB-NP-006** Please provide the Canadian Electricity Association industry average statistic
8 for both CHIKM and CIKM for each year since 2013.
9
- 10 **PUB-NP-007** In its 2006 Capital Budget Newfoundland Power provided a 10-year plan to
11 rebuild its aging transmission lines to ensure a safe and reliable supply of
12 electricity to customers. Costs for Transmission Line Rebuild have continued
13 and have increased steadily, from a low in 2016 of \$4,944,000 to a high in
14 2019 of \$10,781,000. Has Newfoundland Power revisited and reviewed the
15 methodology and plan since project inception in 2006?
16
- 17 **PUB-NP-008** Please identify, by category (Heavy Fleet, Passenger, Off-road), the number
18 of fleet vehicles currently in operation at Newfoundland Power.
19

DATED at St. John's, Newfoundland this 12th day of August, 2019.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per


Cheryl Blundon
Board Secretary