

# Office of the Consumer Advocate

PO Box 23135  
Terrace on the Square  
St. John's, NL Canada  
A1B 4J9

Tel: 709-724-3800  
Fax: 709-754-3800

August 8, 2022

Board of Commissions of Public Utilities  
120 Torbay Road, P.O. Box 2140  
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of  
Corporate Services / Board Secretary**

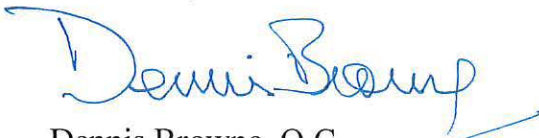
Dear Ms. Blundon:

**Re: Newfoundland Power's 2023 Capital Budget Application**

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NP-001 to CA-NP-127.

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

Yours truly,



Dennis Browne, Q.C.  
Consumer Advocate

Encl.  
/bb

cc **Newfoundland & Labrador Hydro**  
Shirley Walsh ([ShirleyWalsh@nlh.nl.ca](mailto:ShirleyWalsh@nlh.nl.ca))  
NLH Regulatory ([NLHRegulatory@nlh.nl.ca](mailto:NLHRegulatory@nlh.nl.ca))

**Newfoundland Power Inc.**  
Dominic J. Foley ([dfoley@newfoundlandpower.com](mailto:dfoley@newfoundlandpower.com))  
Liam O'Brien ([lobrien@curtisdawe.com](mailto:lobrien@curtisdawe.com))  
NP Regulatory ([regulatory@newfoundlandpower.com](mailto:regulatory@newfoundlandpower.com))

**Board of Commissioners of Public Utilities**  
Jacqui Glynn ([jglynn@pub.nl.ca](mailto:jglynn@pub.nl.ca))  
Sara Kean ([skean@pub.nl.ca](mailto:skean@pub.nl.ca))  
PUB Official Email ([ito@pub.nl.ca](mailto:ito@pub.nl.ca))

**Labrador Interconnected Group**  
Senwung Luk ([sluk@oktlaw.com](mailto:sluk@oktlaw.com))  
Josh Favel ([jfavel@oktlaw.com](mailto:jfavel@oktlaw.com))

**Industrial Customer Group**  
Paul Coxworthy ([pcoxworthy@stewartmckelvey.com](mailto:pcoxworthy@stewartmckelvey.com))  
Dean Porter ([dporter@poolealthouse.ca](mailto:dporter@poolealthouse.ca))  
Denis Fleming ([dfleming@coxandpalmer.com](mailto:dfleming@coxandpalmer.com))

**IN THE MATTER OF** the *Public Utilities Act*,  
(the “Act”); and

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

**IN THE MATTER OF** an Application by  
Newfoundland Power Inc. for an order pursuant  
to Sections 41 and 78 of the Act for a total of  
\$123.5 million annually:

- (a) approving single-year 2023 capital  
expenditures in the amount of \$93,292,000;
- (b) approving multi-year projects with capital  
Expenditures of \$10,483,000 in 2023 and  
\$10,645,000 in 2024; and
- (c) fixing and determining a 2021 rate base of  
\$1,202,946,000.

---

**CONSUMER ADVOCATE  
REQUESTS FOR INFORMATION  
CA-NP-001 to CA-NP-127**

**Issued: August 8, 2022**

---

- 1 CA-NP-001 (Reference Application) Please confirm that Newfoundland Power is  
2 requesting Board approval of \$114,420,000 in its 2023 Capital Budget  
3 Application, and that Newfoundland Power proposes a capital spend of  
4 \$123,463,000 in 2023.  
5
- 6 CA-NP-002 (Reference Application) Does the 2023 capital budget application include  
7 any costs for the proposed electrification program? If the Board does not  
8 approve the proposed electrification program, how much will the 2023  
9 capital budget and the 2023 capital spend be reduced? If the Board approves  
10 the proposed electrification program, how much will the 2023 capital  
11 budget and the 2023 capital spend be increased?  
12
- 13 CA-NP-003 (Reference Application) Will Newfoundland Power be able to meet its  
14 mandate if the Board does not approve every dollar requested in its 2023  
15 Capital Budget Application? Specifically, what projects and capital  
16 amounts could be deferred without affecting Newfoundland Power's ability  
17 to meet its mandate?  
18
- 19 CA-NP-004 (Reference Application) What is the difference between a capital budget  
20 cap and a capital budget envelope as proposed by Midgard?  
21
- 22 CA-NP-005 (Reference Application) Please provide a table showing for each of the past  
23 25 years the capital budget amounts proposed by Newfoundland Power in  
24 its capital budget applications, the corresponding amounts approved by the  
25 Board, and identifying the specific projects and budget amounts that were  
26 not approved along with the reasons given by the Board for rejecting the  
27 capital expenditure(s).  
28
- 29 CA-NP-006 (Reference Application) Please provide a list of the dates for all oral/public  
30 hearings that the Board has held on Newfoundland Power capital budget  
31 applications in the past 25 years.  
32
- 33 CA-NP-007 (Reference Application) Please confirm that the Board has never approved  
34 a capital budget envelope for Newfoundland Power in a capital budget  
35 application.  
36
- 37 CA-NP-008 (Reference Application) If the Board were to authorize a fixed amount of  
38 capital expenditure(s) by Newfoundland Power in 2023 that is less than the  
39 amount requested and if the Board were to do so without rejecting any  
40 particular proposed capital expenditure(s), would Newfoundland Power  
41 have the judgement, expertise and tools to determine what of its proposed  
42 2023 capital expenditures can be accommodated within that fixed amount

- 1 considering both work priority and execution capability? Would  
2 Newfoundland Power proceed with projects according to its prioritization  
3 plan?  
4
- 5 CA-NP-009 (Reference Application) Please provide a copy of all communications  
6 received by Newfoundland Power from Fortis Inc. concerning the  
7 September 23, 2020 statement by Fortis Inc. to its shareholders about its  
8 plan to expand the regulated rate base of its subsidiaries by 6% annually  
9 during the five-year period from 2021 to 2025.  
10
- 11 CA-NP-010 (Reference Application) Please indicate whether Newfoundland Power, a  
12 wholly owned subsidiary of Fortis Inc., considers itself to be a subsidiary  
13 referenced in the September 23, 2020 statement by Fortis Inc. to its  
14 shareholders about its plan to expand the regulated rate base of its  
15 subsidiaries by 6% annually during the five-year period from 2021 to 2025.  
16
- 17 CA-NP-011 (Reference Application) Please provide all documentation between  
18 Newfoundland Power senior management and line managers with respect  
19 to the 2023 CBA relating to prioritization and cost efficiencies by  
20 Newfoundland Power.  
21
- 22 CA-NP-012 Please provide any documentation from Newfoundland Power senior  
23 management to line managers with respect to the 2023 CBA relating to  
24 budget control in light of rate pressures brought on by the Muskrat Falls  
25 Project and the economic downturn in the province.  
26
- 27 CA-NP-013 (Reference Application) What changes has Newfoundland Power made to  
28 its asset management plan and practices since its 2022 Capital Budget  
29 Application?  
30
- 31 CA-NP-014 (Reference Application) Has Newfoundland Power embedded productivity  
32 savings as a bottom-line adjustment in its 2023 Capital Budget Application?  
33
- 34 CA-NP-015 (Reference Application) Please provide a summary of all benchmarking  
35 exercises performed by Newfoundland Power relating to costs and  
36 performance that have been incorporated in the 2023 Capital Budget  
37 Application. Specifically, please show how Newfoundland Power spending  
38 and performance compare to a peer group and provide relevant information  
39 on each peer included in the group.  
40
- 41 CA-NP-016 (Reference Application) Please explain and show how customer  
42 preferences have been incorporated in the 2023 Capital Budget Application.

- 1 CA-NP-017 (Reference Application) The 2022 Capital Budget Application stated 28  
 2 times in Schedule B *“This project is justified on the obligation to provide*  
 3 *reliable service to customers at least cost and cannot be deferred.”* In the  
 4 2023 Capital Plan (page 2) it is stated *“The Electrical Power Control Act,*  
 5 *1994 contains the provincial power policy. Among other provisions, the*  
 6 *provincial power policy requires that power be delivered to customers at*  
 7 *the lowest possible cost consistent with reliable service.”*  
 8 a) Specifically, what is Newfoundland Power’s mandate?  
 9 b) Provide Newfoundland Power’s definition of *“reliable service”* and all  
 10 reliability criteria used to define *“reliable service”*.  
 11 c) Is it a requirement under the Provisional Capital Budget Guidelines that  
 12 Newfoundland Power provide service commensurate with the value its  
 13 customers place on the service?  
 14
- 15 CA-NP-018 (Reference Application) The Midgard report titled Capital Budget  
 16 Application Guideline Review filed with the Board on October 29, 2020  
 17 states (page 61):  
 18 *“declaring that a project went to competitive tender as evidentiary*  
 19 *justification for meeting least cost reliable services does not address key*  
 20 *Board questions such as “At what unit cost are system reliability and risk*  
 21 *profile improved by the project”, “Does the ratepayer value the*  
 22 *improvement in system reliability and risk reduction more than the project*  
 23 *cost?, and “How cost effective are the proposed improvements in system*  
 24 *reliability and risk reduction compared to other budget items being*  
 25 *proposed and other alternatives that are available?”*  
 26 Has Newfoundland Power provided answers to these questions in the 2023  
 27 CBA? If so, please provide all references.  
 28
- 29 CA-NP-019 (Reference Application) How has Newfoundland Power ensured that its  
 30 2023 Capital Budget provides an appropriate balance between reliability,  
 31 rate impacts, and the value customers place on service? Has Newfoundland  
 32 Power conducted a customer engagement process and incorporated the  
 33 results in its 2023 Capital Budget Application, or any other Capital Budget  
 34 Application in recent years? If so, please provide customer surveys and  
 35 documentation relating to customer feedback that Newfoundland Power has  
 36 relied upon to determine the appropriate balance between reliability, rate  
 37 impacts, and the value customers place on service, and please provide  
 38 specific references to customer input and feedback used in the development  
 39 of the 2023 Capital Budget Application.  
 40
- 41 CA-NP-020 (Reference Application) What risk mitigation value is provided by  
 42 Newfoundland Power’s asset management program; i.e., the difference  
 43 between baseline risk and residual risk?

- 1 CA-NP-021 (Reference Application) Please provide a summary of all laboratory testing  
2 conducted by Newfoundland Power in the 2023 Capital Budget Application  
3 to verify the need for asset replacement.  
4
- 5 CA-NP-022 (Reference Application) What is the overall improvement in productivity  
6 stemming from the projects included in the 2023 Capital Budget  
7 Application? Please identify the expected cost savings and provide an  
8 estimate of the impact on rates.  
9
- 10 CA-NP-023 (Reference Application) Please provide Newfoundland Power's number of  
11 customers and energy demand by customer class for 2019, 2020 and 2021,  
12 and the forecasts for each of 2022 and the next 5 years, in total and by  
13 service area.  
14
- 15 CA-NP-024 (Reference Application Schedule B, page 3 of 98) Please provide a detailed  
16 calculation of the cost to own and operate Newfoundland Power's hydro  
17 facilities, and the amount of money recovered annually from customers  
18 attributable to Newfoundland Power's hydro generation facilities.  
19
- 20 CA-NP-025 (Reference Application) Please provide a copy of all studies relating to the  
21 retirement of Newfoundland Power's hydro generation facilities.  
22
- 23 CA-NP-026 (Reference Application) When can customers expect to start realizing the  
24 benefits of the new customer service system?  
25
- 26 CA-NP-027 (Reference Application) Please provide an update on the load research  
27 study and retail rate design review agreed to as part of the settlement for the  
28 2022-23 General Rate Application.  
29
- 30 CA-NP-028 (Reference Application) Please provide an update on studies relating to  
31 Newfoundland Power's capital structure and the appropriate split between  
32 debt and equity.  
33
- 34 CA-NP-029 (Reference Application) Please provide an update on the load research  
35 study relating to the impact of conversions from electric baseboard heating  
36 to heat pumps.  
37
- 38 CA-NP-030 (Reference Application) Please confirm that the application is in no way  
39 influenced by the current economic climate in the province. Does the Board  
40 have the authority to take into consideration the current economic climate  
41 in the province in its decisions and orders?  
42
- 43 CA-NP-031 (Reference Application) Please provide for the record a copy of  
44 Newfoundland Power's distribution planning guide explaining its planning

1 approach, how integrated resource planning is incorporated including  
 2 distributed generation and renewable forms of generation, and how  
 3 reductions in harmful environmental emissions are incorporated.  
 4

5 CA-NP-032 (Reference Application Schedule B, page i) It is stated “*Newfoundland*  
 6 *Power has met the information requirements of the Provisional Guidelines*  
 7 *when the required information is available.*”

- 8 a) What information is not available and why?  
 9 b) Is Newfoundland Power requesting the Board to provide a provisional  
 10 approval until the information is provided?  
 11 c) Does Newfoundland Power expect the Board to approve a project when  
 12 the conditions set out in the Provisional Capital Budget Guidelines have  
 13 not been met?  
 14 d) Is the Board in a position to approve a project when the information  
 15 requirements set out in its Provisional Guidelines are not met?  
 16

17 CA-NP-033 (Reference Application Schedule B, page ii) It is stated “*The Company has*  
 18 *also commenced a review of its asset management practices that, among*  
 19 *other matters, will evaluate options to meet the information requirements*  
 20 *contained in the Provisional Guidelines.*” Please provide details of this  
 21 review including schedule.  
 22

23 CA-NP-034 (Reference Application Schedule B, page ii) It is stated “*While*  
 24 *Newfoundland Power does not use estimate classifications, as referenced*  
 25 *in the Provisional Guidelines, budget estimates for projects and programs*  
 26 *are expected to be accurate within a range of plus or minus 10%.*”

- 27 a) Specifically, what estimate classifications referenced in the Provisional  
 28 Guidelines are not being met in the Application?  
 29 b) Why is Newfoundland Power not using these estimate classifications  
 30 and when does it plan to do so?  
 31 c) How does Newfoundland Power know that all projects are “*expected to*  
 32 *be accurate within a range of plus or minus 10%”*?  
 33 d) Can Newfoundland Power guarantee that all project cost estimates are  
 34 within a range of plus or minus 10%?  
 35 e) Does this approach encourage development of project cost estimates that  
 36 are on the high side?  
 37

38 CA-NP-035 (Reference Application Schedule B, page ii) It is stated “*In Newfoundland*  
 39 *Power’s view, trends for individual programs can be reasonably observed*  
 40 *in total program costs over time. The Program Trend sections therefore*  
 41 *provide graphs of five-year historical, current budget year, and five-year*  
 42 *forecast expenditures for each program.*”



- 1 a) Please explain the pros and cons of using Newfoundland Power’s  
 2 proposed method of trending versus that included in the Provisional  
 3 Capital Budget Guidelines.  
 4 b) Does trending in the manner proposed by Newfoundland Power  
 5 transcribe errors made in the past to the future?  
 6 c) Does trending in the manner proposed by Newfoundland Power mask  
 7 transfers of money from one component of a program to another?  
 8

9 CA-NP-036

(Reference Application Schedule B, page ii) With respect to risk  
 10 assessment, it is stated “*Where quantitative information is not available,*  
 11 *qualitative assessments based on engineering judgment have been*  
 12 *provided. For projects over \$5 million, more detailed information is*  
 13 *provided in reports prepared by Professional Engineers or other qualified*  
 14 *experts.*”

- 15 a) Excluding Newfoundland Power staff, what other qualified experts have  
 16 prepared reports associated with the 2023 Capital Budget Application?  
 17 b) Please confirm that this approach is essentially unchanged from that  
 18 used by Newfoundland Power in its recent capital budget applications.  
 19 c) Are the “*professional engineers or other qualified experts*” referenced  
 20 by Newfoundland Power able to quantify risk? If not, why has  
 21 Newfoundland Power hired “*professional engineers and other qualified*  
 22 *experts*” who do not have the expertise to quantify risk when it is a  
 23 requirement under the Provisional Guidelines?  
 24

25 CA-NP-037

(Reference Application Schedule B, page iii) It is stated “*The Assessment*  
 26 *of Alternatives sections discuss only those alternatives the Company has*  
 27 *identified as relevant, and are provided for projects and programs in excess*  
 28 *of \$1 million, with the exception of expenditures classified as Access*”.

- 29 a) What criteria has Newfoundland Power used to determine if an  
 30 alternative is “*relevant*”? Are environmental impacts one such criterion?  
 31 b) Are behind the meter alternatives such as distributed generation, rate  
 32 design, etc. considered “*relevant*”?  
 33 c) How has Newfoundland Power incorporated future trends in its  
 34 assessment? Specifically, has Newfoundland Power considered  
 35 sensitivity studies relating to shorter asset lifespans in the event that new  
 36 environmentally sensitive options become available in, for example, the  
 37 next 5 years?  
 38

39 CA-NP-038

(Reference Application Schedule B, page iii) It is stated “*Newfoundland*  
 40 *Power does not currently have the data or software necessary to provide*  
 41 *calculations of risk mitigation or reliability improvement. To comply with*  
 42 *the spirit and intent of the Provisional Guidelines, the Company developed*  
 43 *a methodology to provide consistency in its assessment of risks across*  
 44 *projects and programs. The methodology uses a risk matrix where priority*



1 *is determined based on assessments of probability and consequence. The*  
 2 *Company expects that the methodology may evolve as it completes its asset*  
 3 *management review.”*

- 4 a) Please explain the pros and cons of using Newfoundland Power’s  
 5 proposed method of risk assessment versus the method included in the  
 6 Provisional Guidelines.  
 7 b) Do the Provisional Guidelines propose risk assessment of a particular  
 8 project or program relative to deferring or not proceeding with the  
 9 project?  
 10 c) Does Newfoundland Power’s proposed method of risk assessment  
 11 simply gauge risk of one project versus another project? In other words,  
 12 is Newfoundland Power’s proposed risk assessment method appropriate  
 13 for prioritizing projects, but not for gauging the risk of project deferral?  
 14 d) Can the Board approve a project that does not meet requirements  
 15 relating to the quantification of risk of project deferral as required in its  
 16 Provisional Guidelines?  
 17

18 CA-NP-039

(Reference Application Schedule B, page iii) It is stated “*To comply with*  
 19 *the spirit and intent of the Provisional Guidelines, the Company developed*  
 20 *a methodology to provide consistency in its assessment of risks across*  
 21 *projects and programs. The methodology uses a risk matrix where priority*  
 22 *is determined based on assessments of probability and consequence.”*

- 23 a) Is this practice consistent with that used by distribution companies  
 24 elsewhere in Canada? Is it consistent with the approach used by Hydro?  
 25 b) What other prioritization methodologies are used by distribution  
 26 companies elsewhere in Canada?  
 27 c) Are there other means for prioritizing projects that do not require a  
 28 significant amount of subjectivity as that used in the proposed  
 29 methodology?  
 30 d) Specifically, who at Newfoundland Power determines the priority of a  
 31 project and how does Newfoundland Power ensure that it is applied  
 32 consistently across the broad range of projects included in the  
 33 Application?  
 34

35 CA-NP-040

(Reference Application Schedule B, page iv) It is stated “*Newfoundland*  
 36 *Power also considered risks of assets becoming stranded for each proposed*  
 37 *project and program”*. How did Newfoundland Power incorporate the risk  
 38 of an asset becoming stranded owing to new technology, new  
 39 environmental regulations such as zero-carbon policies, distributed  
 40 generation, rate design, etc, or owing to a significant rate increase resulting  
 41 from Muskrat Falls? Have the potential results of the retail rate design  
 42 review been incorporated, and if so, how?

- 1 CA-NP-041 (Reference Application Schedule B, page iv) It is stated “*Newfoundland Power submits that overall the Application includes comprehensive information that clearly describes the Application’s proposals and demonstrates that all proposed capital expenditures are necessary to provide customers with access to safe and reliable service at the lowest possible cost.*”
- 2  
3  
4  
5  
6  
7 a) Please confirm that the application does not meet the requirements set  
8 out in the Provisional Guidelines.  
9 b) Please confirm that the projects included in the application have not  
10 been discussed with customers in terms of service improvement versus  
11 cost.  
12
- 13 CA-NP-042 (Reference Application Schedule B, Corner Brook Acute Care Hospital  
14 Redundant Supply, page 5)
- 15 a) What is the expected improvement in reliability of supply to the hospital  
16 resulting from this project?  
17 b) Is the customer aware of the expected improvement in reliability relative  
18 to the cost?  
19 c) Was consideration given to installing additional backup generators at  
20 the hospital site that might also be used to supply capacity to the Island  
21 Interconnected System during system emergencies?  
22 d) Does this project in any way benefit other customers on the system?  
23 e) Would additional backup generators benefit other customers on the  
24 system?  
25
- 26 CA-NP-043 (Reference Application Schedule B, Distribution Reliability Initiative, page  
27 10) It is stated “*This would be inconsistent with maintaining acceptable and equitable levels of service reliability for customers throughout Newfoundland Power’s service territory.*”
- 28  
29  
30 a) Please define “*acceptable and equitable levels of service reliability*”.  
31 b) Is it not a fact that some customers on Newfoundland Power’s system  
32 receive reduced levels of reliability relative to others?  
33 c) How do Newfoundland Power’s SAIDI and SAIFI levels compare to  
34 Hydro’s?  
35 d) Are Hydro and Newfoundland Power subject to the same legislative  
36 requirements?  
37
- 38 CA-NP-044 (Reference Application Schedule B, Distribution Reliability Initiative, page  
39 10) It is stated “*Customers served by distribution feeder SUM-01 are experiencing significantly worse service reliability than the average reliability experienced by Newfoundland Power’s customers.*”
- 40  
41  
42 a) For how long has this been the case?  
43 b) Please provide a list of all complaints relating to reliability of supply by  
44 customers served by this feeder.

- 1 c) What percentage of all complaints related to reliability on  
 2 Newfoundland Power's system does this represent?  
 3 d) Were newer technologies with environmental benefits such as  
 4 distributed generation, renewable energy forms and rate design  
 5 considered?  
 6

7 CA-NP-045

(Reference Application Schedule B, Distribution Feeder Automation, page  
 8 14) Did Liberty consider cost relative to service improvement? Did  
 9 Newfoundland Power consider cost relative to service improvement?  
 10

11 CA-NP-046

(Reference Application Schedule B, Electric Vehicle Charging Network,  
 12 page 21) It is stated "*The Electric Vehicle Charging Network project is*  
 13 *required to provide a rate mitigating benefit for customers that is consistent*  
 14 *with the delivery of reliable service at the lowest possible cost. The project*  
 15 *will support increasing the province's adoption of electric vehicles and the*  
 16 *successful delivery of customer electrification programs outlined in the*  
 17 *2021 Plan.*"

- 18 a) Has this project already received Board approval?  
 19 b) (i) Does this project take into consideration charging infrastructure  
 20 proposed by other public and private sector entities such as the St.  
 21 John's City Council's decision, made in June 2022, to install 22 level 2  
 22 EV charging stations? (ii) With non-utility entities such as the City of  
 23 St John's installing charging stations, is it necessary for NP to enter this  
 24 market further?  
 25 c) Does this project take into consideration that the charging stations might  
 26 be supplied by the very dirty and expensive Holyrood oil-fired  
 27 generating station during 2023 and possibly 2024 owing to continuing  
 28 problems with the Labrador-Island Link?  
 29 d) Please confirm that the proposed 2021 electrification program will result  
 30 in a near-term rate increase at a time when the province's inflation rate  
 31 has reached 8.0%, the highest level since 1983.  
 32 e) The application seeks funding for three charging sites and "in areas  
 33 where existing charging stations are experiencing high customer usage  
 34 rates" p.20. (i) Where are those areas? (ii) Please quantify "high  
 35 customer usage." (iii) Will NP be able to recover the costs from users of  
 36 the proposed stations, and if not, who compensates NP?  
 37 f) On p.20 of Schedule B, reference is made to the forecast long-run rate-  
 38 mitigating benefit due to adoption of EVs. (i) Is not that forecast benefit  
 39 based on the reliable availability of surplus energy from Muskrat Falls?  
 40 (ii) Is such surplus energy now available? (iii) When does NP expect  
 41 surplus energy from Muskrat Falls to be reliably available to the island  
 42 system? (iv) How would existing ratepayers be affected if these  
 43 proposed EV charging stations were not installed by NP in 2023 but  
 44 were installed in 2024 or 2025 by a non-utility entity?

1 g) Please provide a list of publicly available EV charging stations on the  
2 island that are owned by non-utility entities, as well as ones to be  
3 installed later in 2022 and in 2023.  
4

5 CA-NP-047 (Reference Application Schedule B, Reconstruction, page 39) It is stated  
6 “*Newfoundland Power’s distribution system has operated reliably over the*  
7 *last five years with an average of 1.4 outages per year and an average*  
8 *outage duration of 1.8 hours per year*”. Please provide all documentation  
9 showing that customers have indicated a willingness to pay for reliability  
10 exceeding Canadian averages. Please identify the cost and rate impact of  
11 providing service at current levels of reliability relative to the cost of  
12 providing service consistent with the Canadian average.  
13

14 CA-NP-048 (Reference Application Schedule B, Reconstruction, page 40) It is stated  
15 “*The Reconstruction program is required to provide safe and reliable*  
16 *service to customers at the lowest possible cost as it permits the timely*  
17 *correction of high-priority deficiencies on the distribution system that result*  
18 *in customer outages and unsafe operation of the electrical system.*” Why is  
19 this project needed to provide reliable service when Newfoundland Power’s  
20 reliability performance is better than the Canadian average? Please file  
21 evidence that Newfoundland Power will be unable to provide reliable  
22 service at least cost if it were to delay this project.  
23

24 CA-NP-049 (Reference Application Schedule B, Rebuild Distribution Lines, page 41)  
25 Please quantify the impact on reliability if Newfoundland Power were to  
26 forego this work in 2023. If Newfoundland Power were to forego this work  
27 in 2023, would the level of reliability on the system remain above the  
28 Canadian average?  
29

30 CA-NP-050 (Reference Application Schedule B, Relocate/Replace Distribution Lines  
31 for Third Parties, Figure 1) Was 2019 an outlier? Please reproduce this  
32 figure with average figures excluding 2019.  
33

34 CA-NP-051 (Reference Application Schedule B, New Street Lighting, page 60) Why  
35 was there a significant reduction in costs for this program in 2021?  
36

37 CA-NP-052 (Reference Application Schedule B, Replacement Meters, page 67) Why is  
38 there such a large increase in meter replacements in 2022?  
39

40 CA-NP-053 (Reference Application Schedule B, Replacement Meters, page 68) It is  
41 stated “*A forecast increase in expenditures in 2027 is due to an expected*  
42 *transition to Advanced Metering Infrastructure (“AMI”) technology, with*  
43 *the installation of meters that are compatible with both AMR and AMI*  
44 *meter reading systems.*”

- 1 a) Why is Newfoundland Power not replacing meters with AMI  
 2 technology now in order to reduce the possibility of stranding and open  
 3 the door to the introduction of more advanced rate designs in light of the  
 4 significant changes going on in the industry?  
 5 b) Please provide for the record Newfoundland Power's plans/business  
 6 case with respect to AMI including rationale, cost and schedule.  
 7

8 CA-NP-054 (Reference Application Schedule B, New Meters, page 71) Why is  
 9 Newfoundland Power not installing new meters with AMI technology in  
 10 order to reduce the possibility of stranding and open the door to the  
 11 introduction of more advanced rate designs in light of the significant  
 12 changes going on in the industry?  
 13

14 CA-NP-055 (Reference Application Schedule B, Walbournes Substation Refurbishment  
 15 and Modernization, page 78) It is stated "*As part of its preventative and*  
 16 *corrective maintenance program, Newfoundland Power's substations are*  
 17 *inspected eight times annually.*" What is the justification and cost  
 18 associated with eight inspections annually?  
 19

20 CA-NP-056 (Reference Application Schedule B, Walbournes Substation Refurbishment  
 21 and Modernization, page 78) It is stated "*Continued execution of the*  
 22 *Substation Refurbishment and Modernization Plan is therefore necessary*  
 23 *to replace obsolete and deteriorated equipment and infrastructure.*" Are  
 24 there environmentally friendly options that might be pursued as an  
 25 alternative to this plan? Is there an alternative, or backup supply, to the  
 26 electricity customers in the Corner Brook area?  
 27

28 CA-NP-057 (Reference Application Schedule B, Long Pond Substation Capacity  
 29 Expansion, page 86) Is Memorial University making a capital contribution  
 30 to this project? How is this expected to impact the 2023 capital budget?  
 31

32 CA-NP-058 (Reference Application Schedule B, Substation Spare Transformer  
 33 Inventory, page 88) How does Newfoundland Power determine the  
 34 appropriate number, size and voltage level of transformers to be included  
 35 in its spare transformer inventory?  
 36

37 CA-NP-059 (Reference Application Schedule B, Transmission Line 55L Rebuild, page  
 38 107) It is stated "*Transmission Line 55L is a radial line that serves as the*  
 39 *sole source of supply for 3,419 customers in the Placentia area.*"  
 40 a) Why is there no backup source of supply?  
 41 b) Would a backup source of supply such as distributed generation provide  
 42 benefits to other customers on the Island Interconnected System?  
 43 c) Was consideration given to removing Line 55L and supplying the area  
 44 with a renewable technology?

- 1 d) What is Newfoundland Power's policy with respect to determining  
2 when a backup supply source is required for supply to a specific region  
3 of the province?  
4
- 5 CA-NP-060 (Reference Application Schedule B, Transmission Line Maintenance, page  
6 111) It is stated "*For example, an outage to transmission lines 94L and 95L*  
7 *during a severe wind storm in March 2017 resulted in approximately 3.2*  
8 *million outage minutes to customers on the Avalon Peninsula.*" Does  
9 Newfoundland Power design its transmission system to withstand severe  
10 storms such as that in March 2017?  
11
- 12 CA-NP-061 (Reference Application Schedule B, Mobile Hydro Plant Refurbishment,  
13 page 114) Please file for the record studies relating to retirement of this  
14 hydro plant.  
15
- 16 CA-NP-062 (Reference Application Schedule B, Application Enhancements, page 138)  
17 It is stated "*The software vendor has indicated that all clients will be*  
18 *required to upgrade to GIS Enterprise prior to their next system upgrade,*  
19 *which for Newfoundland Power is required by 2026. By implementing GIS*  
20 *Enterprise in 2023, annual subscription fees of approximately \$35,000 will*  
21 *be eliminated and the mandatory software prerequisites for the next*  
22 *upgrade of the Company's GIS will have been completed.*"  
23 a) Please confirm that there is no risk to customer service if the project  
24 were deferred until 2026.  
25 b) What will the annual subscription fees be after the project is completed?  
26
- 27 CA-NP-063 (Reference Application Schedule B, Application Enhancements, page 139)  
28 It is stated "*Newfoundland Power has been using Cisco WebEx as its virtual*  
29 *meeting solution since 2018. Annual user fees for Cisco WebEx are*  
30 *currently \$75,000. Newfoundland Power can implement Microsoft Teams*  
31 *as part of its existing Microsoft Enterprise Agreement with no added annual*  
32 *licensing costs from the vendor.*" Why did NP not select Microsoft Teams  
33 as its virtual meeting solution in the first place?  
34
- 35 CA-NP-064 (Reference Application Schedule B, Personal Computer Infrastructure,  
36 page 155) What is the average cost per computer replaced? Do personal  
37 computers typically have longer lives now than in the past?  
38
- 39 CA-NP-065 (Reference Application Schedule B, Replace Vehicles and Aerial Devices  
40 2023-2024, page 182)  
41 a) What is the average cost of a replacement vehicle? Please break the cost  
42 down by vehicle type.  
43 b) To what extent have supply chain issues and inflation impacted vehicle  
44 availability and cost?

- 1 c) How many vehicles will be replaced with electric vehicles (EVs)?  
 2 d) What are the prospects for electric heavy-duty vehicles?  
 3 e) To what extent have supply chain issues and inflation impacted vehicle  
 4 availability and cost?  
 5 f) How do the lifetime costs of NP-owned EVs compare to NP-owned  
 6 gasoline/diesel powered vehicles?  
 7 g) How many EVs does Newfoundland Power currently have in its fleet?  
 8 h) Does the purchase of gasoline/diesel vehicles set back Newfoundland  
 9 Power's electrification program and represent a lost opportunity?  
 10 i) Is the risk of stranding gasoline/diesel vehicles increasing?  
 11

12 CA-NP-066 (Reference Application Schedule B, Allowance for Unforeseen Items, page  
 13 188) Please provide a table showing for each year since 2002 the amount  
 14 requested for Allowance for Unforeseen Items and the amount actually  
 15 spent.  
 16

17 CA-NP-067 (Reference Application, 2023 Capital Budget Overview, page 1) It is stated  
 18 "*The 2023 Capital Budget includes 20 recurring capital programs and 37*  
 19 *capital projects, seven of which have been previously approved and do not*  
 20 *require further approval.*" Of the 50 projects included in the Application  
 21 (excludes the 7 projects that have been previously approved), please  
 22 identify the projects that do not comply with the requirements set out in the  
 23 Provisional Guidelines along with an explanation of how they do not  
 24 comply and why.  
 25

26 CA-NP-068 (Reference Application, 2023 Capital Budget Overview, page 2) It is stated  
 27 "*The capital expenditures proposed as part of Newfoundland Power's 2023*  
 28 *Capital Budget Application (the "Application") are necessary to meet its*  
 29 *statutory obligations under the Public Utilities Act and the Electrical*  
 30 *Power Control Act, 1994.*" Does the requirement to comply with legislation  
 31 supersede requirements set out in the Board's Provisional Capital Budget  
 32 Application Guidelines?  
 33

34 CA-NP-069 (Reference Application, 2023 Capital Budget Overview, page 8) It is stated  
 35 "*Newfoundland Power is focused on maintaining current levels of overall*  
 36 *service reliability for its customers under normal operating conditions. The*  
 37 *Company's annual targets for service reliability are based on the most*  
 38 *recent five-year average.*" Does Hydro have information on customer trade-  
 39 offs between cost and reliability, and does the information include NP  
 40 customers? If so, was it incorporated in NP's 2023 Capital Budget process?  
 41 If not, why not?  
 42

43 CA-NP-070 (Reference Application, 2023 Capital Budget Overview, page 8) It is stated  
 44 "*Newfoundland Power's annual capital expenditures reflect the capital*



1 *additions and improvements necessary each year to provide safe and*  
 2 *reliable service to customers at the lowest possible cost.”* Please confirm  
 3 that NP’s capital expenditures do not reflect the value customers place on  
 4 service improvements. If NP is of the opinion it does, please provide  
 5 support.  
 6

- 7 CA-NP-071 (Reference Application, 2023 Capital Budget Overview, page 8, Figure 4)  
 8 In its July 25 introductory presentation on its 2023 CBA, NP also included  
 9 Figure 4 (as slide 9) and in the discussion indicated that its graph of its  
 10 historical inflation-adjusted capital expenditures was based on adjusting the  
 11 nominal expenditures by using a mix of the GDP deflator, applied to the  
 12 non-labour portion of the expenditure, and its own index of labour costs,  
 13 applied to the labour portion.  
 14 a) Please confirm, with any appropriate clarification, that the preceding  
 15 statement regarding inflation adjustment is correct.  
 16 b) When did NP start using its own labour cost index in its calculation of  
 17 inflation-adjusted capital expenditures and what was the rationale for  
 18 doing so?  
 19 c) Please provide a revised Figure 4 that also includes real capital  
 20 expenditures based solely on the GDP deflator, using 2022 as the base  
 21 year for comparability.  
 22 d) Please provide a table for the years 2002 to 2021 showing the annual  
 23 inflation rates based on (i) NP’s index used to adjust its capital  
 24 expenditure for inflation and (ii) Statistics Canada’s GDP deflator.  
 25

26 CA-NP-072 (Reference Application, 2023 Capital Budget Overview, page 10, Table 1)  
 27 Please provide a table showing NP’s revenue requirement in each year since  
 28 2014.  
 29

30 CA-NP-073 (Reference Application, 2023 Capital Budget Overview, pages 10 and 11)  
 31 a) It is stated “*Approval of the Company’s 2023 revenue requirement*  
 32 *resulted in a decrease in customer rates of approximately 1% effective*  
 33 *March 1, 2022.”* Please provide details showing how NP’s 2023 revenue  
 34 requirement resulted in a decrease in customer rates.  
 35 b) Table 1 and Table 2 show NP’s inflation-adjusted contribution to revenue  
 36 requirement and customer rates, respectively, for the years 2014 and 2023.  
 37 (i) What were the Board-determined rates of return on NP’s rate base for  
 38 each of those years? (ii) What role did the change in the rate of return on  
 39 rate base play in the changes in the inflation-adjusted contribution to  
 40 revenue requirement and customer rates?  
 41

42 CA-NP-074 (Reference Application, 2023 Capital Budget Overview, page 11, Table 2)  
 43 Please provide a comparison of NP’s contribution to rates to that of a peer  
 44 group of similar distribution companies.

- 1 CA-NP-075 (Reference Application, 2023 Capital Budget Overview, page 12, Table 3)  
2 a) Please show SAIDI levels in 2011 and 2020 along with the objective of  
3 the Atlantic utilities; i.e., to maintain current levels of reliability, to beat  
4 the Canadian average, etc. Please provide the information in the table  
5 for each individual Atlantic utility and for NL Hydro.  
6 b) Please reframe Table 3 by showing capital expenditures for the given  
7 years on a per-customer basis.  
8
- 9 CA-NP-076 (Reference Application, 2023 Capital Budget Overview, Appendix C, page  
10 1, Footnote 3) Please provide the list of Canadian utilities surveyed.  
11
- 12 CA-NP-077 (Reference Application, 2023 Capital Budget Overview, Appendix C, page  
13 1, Footnote 2) Please provide details of methods (ii) and (iv) referenced in  
14 the footnote.  
15
- 16 CA-NP-078 (Reference Application, 2023 Capital Budget Overview, Appendix D, page  
17 2, Table D-1) Do the SAIDI and SAIFI figures in the table fall within  
18 industry norms. Please provide support for the response. Further, please  
19 reproduce the table showing SAIDI and SAIFI averages for each individual  
20 Atlantic utility and NL Hydro.  
21
- 22 CA-NP-079 (Reference Application, 2023 Capital Budget Overview, Appendix D, page  
23 5 and 6, Tables D-4 and D-5) Please reproduce the tables showing CHIKM  
24 and CIKM averages for each individual Atlantic utility and NL Hydro.  
25
- 26 CA-NP-080 (Reference Application, 2023 Capital Budget Overview, Appendix E,  
27 pages 4 and 5) It is stated “*Five proposals were received from vendors for  
28 implementation services. The proposals were evaluated against criteria to  
29 determine which vendors demonstrated the experience, skills and resources  
30 necessary to execute the project, followed by an evaluation of proposed  
31 costs. Based on the evaluation, Ernst and Young LLP (“EY”) was selected  
32 as the least-cost solution that met the necessary requirements.*” Please  
33 provide a table summarizing the names of the vendors, cost, and rating  
34 according to the selection criteria.  
35
- 36 CA-NP-081 (Reference Application, 2023 Capital Budget Overview, Appendix E,  
37 pages 4 and 5) Will the new customer service system provide a seamless  
38 interface with AMI (advanced metering infrastructure)?  
39
- 40 CA-NP-082 (Reference Application, 2023 Capital Budget Overview, Appendix E, page  
41 9) Please explain how NP and Hydro coordinate on aerial devices to achieve  
42 cost savings for the province’s electricity consumers.

- 1 CA-NP-083 (Reference Application, 2023 – 2027 Capital Plan, page 1) It is stated “*the*  
2 *Company is targeting stability in its reliability performance.*” Please  
3 provide: 1) customer complaints relating to reliability over time, 2)  
4 documentation informing customers of the cost of maintaining current  
5 levels of reliability, 3) customer survey responses identifying: i) the value  
6 customers place on maintaining current levels of reliability, ii) customer  
7 willingness to pay more for increased levels of reliability, iii) customer  
8 willingness to accept lower levels of reliability in exchange for lower rates,  
9 and 4) current reliability criteria used by NP that balance the level of  
10 reliability with the cost to provide that level of reliability.  
11
- 12 CA-NP-084 (Reference Application, 2023 – 2027 Capital Plan, page 1) It is stated  
13 “*System load growth is expected to be modest with increases driven by*  
14 *residential development in urban areas, government efforts to electrify*  
15 *provincial buildings, and electric vehicle adoption.*” How, and to what  
16 extent, will these increases be offset by heat pump conversions, rate design  
17 and behind-the-meter generation?  
18
- 19 CA-NP-085 (Reference Application, 2023 – 2027 Capital Plan, page 2) It is stated  
20 “*Newfoundland Power has an obligation to provide customers with*  
21 *equitable access to an adequate supply of power.*”  
22 a) Do all customers on the system receive the same level of reliability? If  
23 not, how does NP determine if levels of reliability worse than the system  
24 average are tolerable?  
25 b) Does Hydro strive to provide its customers the same level of reliability  
26 as NP? If not, why not? Does the legislation apply equally to Hydro?  
27
- 28 CA-NP-086 (Reference Application, 2023 – 2027 Capital Plan, page 3) It is stated  
29 “*Newfoundland Power and Newfoundland and Labrador Hydro (“Hydro ”)*  
30 *have designed an EV Demand Response Pilot Project to study options for*  
31 *managing the impact of EVs on peak demand.*” On the same page it is stated  
32 “*Over the longer term, increased peak demand due to EV adoption is*  
33 *expected to result in dynamic rate structures becoming cost-effective for*  
34 *customers.*”  
35 a) Why is NP not proposing in this capital budget application to add new  
36 meters and replace faulty meters with AMI (advanced metering  
37 infrastructure) when it might be needed in 2027?  
38 b) How is this pilot project being coordinated with NP’s retail rate design  
39 study, load research study and programs related to AMI? Would it be  
40 more efficient to undertake the retail rate design review and load  
41 research study first before determining the need for AMI and an EV  
42 demand response pilot?  
43 c) What is the expected cost of transitioning to AMI?

- 1 CA-NP-087 (Reference Application, 2023 – 2027 Capital Plan, page 3) It is stated  
 2 “*Newfoundland Power has an obligation to provide reliable service to its*  
 3 *customers at the lowest possible cost.*”  
 4 a) Using this as a criterion for the provision of electricity service to  
 5 customers, can any project be justified? For example, replacing an older  
 6 feeder with a new feeder would be expected to provide improved  
 7 reliability. Could NP justify replacement of this feeder with a new  
 8 feeder even though the existing feeder was providing reliability similar  
 9 to the system average provided construction was put out to competitive  
 10 tender and the lowest cost bid were selected? Could NP improve  
 11 reliability by building a second feeder to every customer in the province  
 12 that would be called upon to operate only when the primary feeder  
 13 failed? Provided the second feeder were put out to competitive tender  
 14 and the lowest cost bid were selected, would this not be consistent with  
 15 providing reliable service to customers at the lowest possible cost?  
 16 b) How can Hydro and NP have such large variations in customer  
 17 reliability when both are subject to the same legislation?  
 18 c) Does this suggest that a change in legislation is warranted?  
 19
- 20 CA-NP-088 (Reference Application, 2023 – 2027 Capital Plan, page 5) It is stated  
 21 “*Inflationary pressures on materials have also increased following the*  
 22 *COVID-19 pandemic.*”  
 23 a) How has inflation impacted the costs included in NP’s 2023 capital  
 24 budget application?  
 25 b) Does NP (or its sources) believe that inflation is a temporary short-term  
 26 phenomenon or that it will be around for the longer-term? Please  
 27 provide NP’s forecast of inflation used in the Application.  
 28
- 29 CA-NP-089 (Reference Application, 2023 – 2027 Capital Plan, page 6) It is stated “*The*  
 30 *Company is currently undertaking an asset management review to ensure*  
 31 *its practices continue to be adequate in light of the age and condition of its*  
 32 *electrical system.*” Why is NP undertaking this asset management review  
 33 now rather than, for example, 10 years ago? Please provide details of this  
 34 review.  
 35
- 36 CA-NP-090 (Reference Application, 2023 – 2027 Capital Plan, page 7) It is stated  
 37 “*Other deficiencies are corrected in a planned manner through the Rebuild*  
 38 *Distribution Lines program and individual refurbishment projects for*  
 39 *feeders where deterioration is most pronounced. The distribution system is*  
 40 *also maintained through the longstanding Distribution Reliability*  
 41 *Initiative, which targets the worst performing feeders for capital*  
 42 *investment.*” Why are these separated into two programs rather than  
 43 combined into a single program?

- 1 CA-NP-091 (Reference Application, 2023 – 2027 Capital Plan, page 8) Does  
 2 Newfoundland Power’s transmission system include all lines operated at  
 3 66kV and 138kV?  
 4
- 5 CA-NP-092 (Reference Application, 2023 – 2027 Capital Plan, page 12) It is stated “*A*  
 6 *system planning study is being conducted to inform the long-term plan for*  
 7 *these gas turbines.*” Please provide details of this study. Will it include  
 8 customer-owned generation alternatives, for example, backup supply at  
 9 critical facilities such as hospitals?  
 10
- 11 CA-NP-093 (Reference Application, 2023 – 2027 Capital Plan, page 13, Figure 8)  
 12 Please extend Figure 8 by including the years back to 2005.  
 13
- 14 CA-NP-094 (Reference Application, 2023 – 2027 Capital Plan, page 14) It is stated  
 15 “*Investments include approximately \$3.3 million in 2023 for upgrades at*  
 16 *Long Pond Substation resulting from an electrification initiative at*  
 17 *Memorial University. Approximately \$2.5 million of investments in 2027*  
 18 *relate to an upgrade at Kelligrews Substation to respond to load growth on*  
 19 *the Northeast Avalon.*” Please provide the load forecasts used to justify  
 20 these expenditures.  
 21
- 22 CA-NP-095 (Reference Application, 2022 Capital Expenditure Status Report, page 1 of  
 23 13) How is it that budget and forecast are exactly the same for 10 of the 11  
 24 categories in the table, particularly in light of the uncertainties brought on  
 25 by Covid and the very high levels of inflation?  
 26
- 27 CA-NP-096 (Reference Application, 2022 Capital Expenditure Status Report, Appendix  
 28 A) What led to the increase in the number of new customer connections?  
 29 How has this impacted NP’s forecast of new customer connections?  
 30
- 31 CA-NP-097 (Reference Application) Please provide a table and a graph showing  
 32 Newfoundland Power’s average rate base and net plant investment for each  
 33 year from 1996 to 2021 with forecasts for 2022 and 2023.  
 34
- 35 CA-NP-098 (Reference Application Schedule B, 2023 Capital Projects) For each capital  
 36 project included in Schedule B, please provide the details of the business  
 37 case used to support the selected project option, including demand side  
 38 management and non-wires alternatives where relevant, showing:  
 39 a) all options considered for achieving the objectives set out in the  
 40 justification section for each project.  
 41 b) a schedule comparing the net present value of each option considered  
 42 taking into account both the required capital expenditure and the impact  
 43 on operating and maintenance costs.

- 1 c) a schedule comparing the impact on NP's total revenue requirement in  
2 each year for the years 2022 through 2031.  
3 d) a schedule comparing the incremental rate impact in each year for the  
4 years 2022 through 2031.  
5

6 CA-NP-099 (Reference Application) In light of existing and proposed 'green energy'  
7 initiatives by the governments of Canada and Newfoundland and Labrador,  
8 has Newfoundland Power analyzed the possibility that its past and proposed  
9 future capital expenditures on thermal capacity and thermal energy may  
10 become stranded? If so, please provide copies of all such analyses.  
11

12 CA-NP-100 (Reference Application) Please indicate the total number of customer  
13 outage minutes lost in 2021 due to planned outages as compared to  
14 unplanned outages. On a map of Newfoundland please indicate the number  
15 and duration of customer outages in 2021 attributable to planned outages.  
16 On a map of Newfoundland please indicate the number and duration of  
17 customer outages in 2021 attributable to unplanned outages.  
18

19 CA-NP-101 (Reference Application) Please provide details of Newfoundland Power's  
20 approach to assessing the relative cost of non-wires alternatives (NWAs)  
21 such as distributed energy resources (DERs) to the capital investment in  
22 traditional assets that are included in Newfoundland Power's proposed  
23 capital plan. Please provide any reports or analyses that show the  
24 comparative analysis for the projects included in the 2023 Capital Budget  
25 Application.  
26

27 CA-NP-102 (Reference Application) If NWAs have not been considered in the  
28 Application, please explain why they have been excluded as options  
29 without a comparison of alternatives. Please provide a discussion of the  
30 feasibility of NWAs being utilized to address the requirements for each  
31 capital project definition identified in Schedule B.  
32

33 CA-NP-103 (Reference Application) Please provide a discussion of the consideration  
34 being given to NWAs in each of the other Canadian jurisdictions addressing  
35 the current practices of other Canadian integrated utilities, transmission  
36 companies and major distributors. Further, please provide a discussion of  
37 the consideration being given to NWAs in each of the other Canadian  
38 jurisdictions addressing the current practices of Canadian regulators.  
39

40 CA-NP-104 (Reference Application, 1.1 Distribution Reliability Initiative, page 1) It is  
41 stated "*On average, the project has improved the reliability performance of*  
42 *Newfoundland Power's worst performing feeders by approximately 68%.*"  
43 At what cost, and what impact did this have on the number of customer  
44 complaints relating to reliability?

- 1 CA-NP-105 (Reference Application, 1.1 Distribution Reliability Initiative, page 4,  
2 Table 1) Please show the rolling 5-year average for each of the past 5 years.  
3
- 4 CA-NP-106 (Reference Application, 1.1 Distribution Reliability Initiative, Table A-1)  
5 Please show the rolling 5-year average for each feeder for each of the past  
6 5 years.  
7
- 8 CA-NP-107 (Reference Application, 1.2 Feeder Additions for Load Growth)  
9 a) For these projects, were dynamic rates such as time-of-day rates  
10 considered as an alternative?  
11 b) What impact are conversions from baseboard heating to heat pumps  
12 expected to have on demand served by these feeders?  
13 c) What impact is EV charging expected to have on demand served by  
14 these feeders?  
15
- 16 CA-NP-108 (Reference Application, 2.2 Substation Spare Transformer Inventory) What  
17 is Hydro's policy with respect to portable substations and spare transformer  
18 inventory and how does it compare to that of Newfoundland Power? Does  
19 Newfoundland Power coordinate with Hydro or any other neighboring  
20 utilities on portable substations and spare transformer inventory?  
21
- 22 CA-NP-109 (Reference Application, 3.1 2023 Transmission Line Rebuild, page 3) it is  
23 stated "*Annual maintenance costs for Transmission Line 55L have*  
24 *averaged approximately \$56,000 annually since 2017.*" Please confirm that  
25 since 2018 maintenance costs have averaged less than \$30,000 annually.  
26 What was the cause of the significant maintenance expenditures in 2017?  
27
- 28 CA-NP-110 (Reference Application, 3.1 2023 Transmission Line Rebuild) What is  
29 required of Newfoundland Power to gain access to a new right-of-way; i.e.,  
30 access/acquisition, environmental permitting, etc?  
31
- 32 CA-NP-111 (Reference Application, 3.1 2023 Transmission Line Rebuild, page 1) It is  
33 stated "*A total of 26 transmission lines have been rebuilt under the strategy*  
34 *since 2006. By year-end 2022, approximately 79% of the strategy will have*  
35 *been executed.*" In P.U. 37 (2020) it is stated (page 15) "*The Board notes*  
36 *that over the 10-year period 2010 to 2019 Newfoundland Power has*  
37 *replaced approximately 13% of its total transmission system in accordance*  
38 *with Transmission Inspection Maintenance Practices which set out the*  
39 *criteria for replacement, including the use of sounding and core sampling*  
40 *tests. The Board remains satisfied that changes with respect to*  
41 *Newfoundland Power's transmission line testing practices are not*  
42 *necessary at this time but that it may be appropriate for Newfoundland*  
43 *Power to review its practices upon the completion of Hydro's test and treat*  
44 *program in 2023.*"



- 1 a) If approved by the Board, what percentage of the strategy will be  
 2 completed by year-end 2023 and what percentage of the transmission  
 3 system will have been replaced?  
 4 b) Please confirm that Hydro's test and treat program which is expected to  
 5 be completed in 2023 will have limited impact on NP's transmission  
 6 line rebuild strategy.  
 7 c) Could the transmission line rebuild strategy be deferred until Hydro's  
 8 test and treat program is completed? Please quantify the risks involved  
 9 in project deferral by one year.

10  
 11 CA-NP-112 (Reference Application, 4.1 Sandy Brook Hydro Plant Generator  
 12 Refurbishment) Did Hatch (or any other entity) quantify the risk of deferral  
 13 of the proposed refurbishment of the generator? Does Hatch have the  
 14 expertise to quantify the risk of project deferral?  
 15

16 CA-NP-113 (Reference Application, 4.1 Sandy Brook Hydro Plant Generator  
 17 Refurbishment, page 9) It is stated "*This alternative therefore avoids*  
 18 *customers incurring additional costs to replace lost production from the*  
 19 *Plant with more expensive sources of generation.*" What is the cost of the  
 20 replacement generation and how does it compare to the cost of generation  
 21 from Sandy Brook?  
 22

23 CA-NP-114 (Reference Application, 4.1 Sandy Brook Hydro Plant Generator  
 24 Refurbishment) What is the impact of this project on rates?  
 25

26 CA-NP-115 (Reference Application, 4.1 Sandy Brook Hydro Plant Generator  
 27 Refurbishment, page 10) It is stated "*based on the age of the generator, the*  
 28 *probability of equipment failure increases each year that the generator*  
 29 *remains in service without refurbishment.*" Is this not the case with any  
 30 piece of equipment? What is the probability of failure in 2023, 2024 and  
 31 2025 if the generator refurbishment is deferred? How does this compare to  
 32 the probability of failure in past years; i.e., in 2021 or 2010?  
 33

34 CA-NP-116 (Reference Application, 4.1 Sandy Brook Hydro Plant Generator  
 35 Refurbishment) Would Newfoundland Power judge this project to be  
 36 economic if the value of system capacity were zero in 2024 and beyond?  
 37

38 CA-NP-117 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, page 1)  
 39 a) Does Newfoundland Power own this plant?  
 40 b) During the arbitration proceeding from 2009 through 2020, who was  
 41 responsible for plant maintenance and costs, and who received the  
 42 energy produced by the plant and at what cost?

- 1 CA-NP-118 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, page 3,  
2 Footnote 8) Has Newfoundland Power or Hydro derived a system value for  
3 the black-start capability of the Mobile plant? Does Hydro pay  
4 Newfoundland Power for this capability?  
5
- 6 CA-NP-119 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment)  
7 a) Did Newfoundland Power have an outside expert assess the condition of  
8 the plant?  
9 b) Did Newfoundland Power (or any other entity with the necessary  
10 expertise) quantify the risk of deferral of this project?  
11 c) Please provide the resume of the person with overall responsibility for  
12 the plant condition assessment.  
13
- 14 CA-NP-120 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, page 17)  
15 What is the impact of this project on rates?  
16
- 17 CA-NP-121 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, page 18)  
18 It is stated “*Deferring the proposed refurbishment to a future year would*  
19 *increase the risk of failure of a major Plant component.*”  
20 a) What is the probability of failure in 2023, 2024 and 2025 if the project  
21 is deferred? How does this compare to the probability of failure in past  
22 years; i.e., in 2021 or 2010?  
23 b) If the probability of failure in 2023 were less than 10%, would it be  
24 economic to defer the project to a future year?  
25
- 26 CA-NP-122 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, page 19)  
27 It is stated “*deferring the refurbishment would not address current safety*  
28 *risks associated with arc flash hazards resulting from the switchgear.*” For  
29 how long has this safety risk existed?  
30
- 31 CA-NP-123 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, Appendix  
32 A, page 1) Footnote 1 states “*Additional capital expenditures included in*  
33 *2024 are related to substation, penstock, and surge tank refurbishments*  
34 *which are not included in the 2023/2024 capital budget project.*” Why not?  
35
- 36 CA-NP-124 (Reference Application, 4.2 Mobile Hydro Plant Refurbishment, Appendix  
37 A) Would Newfoundland Power judge this project to be economic if the  
38 value of system capacity were zero in 2024 and beyond?  
39
- 40 CA-NP-125 (Reference Application)  
41 a) For the period 1996 to 2022, please provide a table giving the annual  
42 values of: NP’s capital expenditures; the Canadian GDP deflator; and  
43 NP’s historical capital expenditures in real terms, i.e., historical capital

1 expenditures adjusted for inflation using the GDP deflator, and provide  
2 this data in an Excel file.

3 b) Please provide a time series graph of the real historical capital  
4 expenditures found in (a).  
5

6 CP-NP-126 For the years 1996 to 2021, please provide in an Excel file the number of  
7 NP customers by customer class and the amount of electricity sales to each  
8 for the years 1996 to 2021 as well as NP forecasts for 2022 to 2026.  
9

10 CA-NP-127 (Reference Application) Under current legislation capital budget  
11 applications must be submitted yearly. Would a change in legislation  
12 requiring capital budget application submissions every 3 years as part of a  
13 general rate application lead to a more efficient regulatory process? What  
14 are the pros and cons of such a change in legislation?

**DATED** at St. John's, Newfoundland and Labrador, this 8<sup>th</sup> day of August, 2022.

Per:   
\_\_\_\_\_

**Dennis Browne, Q.C.**

**Consumer Advocate**

Terrace on the Square, Level 2, P.O. Box 23135  
St. John's, Newfoundland & Labrador A1B 4J9

Telephone: (709) 724-3800

Telecopier: (709) 754-3800

Email: dbrowne@bfma-law.com