

Office of the Consumer Advocate

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August 9, 2023

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**

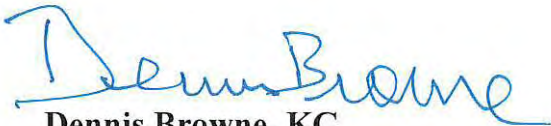
Dear Ms. Blundon:

**Re: Newfoundland Power Inc. - 2024 Capital Budget Application – Requests for Information
CA-NP-001 to CA-NP-147**

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NP-001 to CA-NP-147.

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

Yours truly,



**Dennis Browne, KC
Consumer Advocate**

Encl.
/jm

cc **Newfoundland Power Inc.**
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Liam O'Brien, (lobrien@curtisdawe.com)
NP Regulatory (regulatory@newfoundlandpower.com)
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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:
(a) approving its 2024 Capital Budget; and
(b) fixing and determining its 2022 rate base.

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-001 to CA-NP-147**

Issued: August 9, 2023

- 1 CA-NP-001 (Reference Cover Letter to Application) It is stated “*Amendments to the Public*
 2 *Utilities Act (the “Act”)* became effective in May 2023. Regarding section 41
 3 *of the Act, the amendments provide that a utility shall not proceed with any*
 4 *improvement or addition to its property where the cost exceeds \$750,000*
 5 *without prior approval of the Board.”*
- 6 a) Please provide Newfoundland Power’s (NP’s) interpretation of this change
 7 in legislation. Specifically, can Newfoundland Power proceed with any
 8 project that costs less than \$750,000 without first gaining Board approval,
 9 and is pass-through of the cost of such projects to customers guaranteed
 10 whether or not the project is shown to be prudent? How will the prudence
 11 of such projects be audited? Will Board approval be required for such
 12 spending to be included in rate base?
- 13 b) How will the \$750,000 threshold be applied; e.g., to individual projects,
 14 projects that are a component of a larger program, projects that might be a
 15 component of a larger project; e.g., replacement of a faulty breaker at a
 16 substation that is undergoing refurbishment?
- 17
- 18 CA-NP-002 (Reference Application) Please confirm that NP is requesting Board approval
 19 of capital expenditures totaling \$120,042,000 in the 2024 Capital Budget
 20 Application which includes \$19,711,000 that would be expended in 2025 and
 21 2026. Please confirm that NP proposes a capital spend of \$115,252,000 in
 22 2024 (includes previously approved projects).
- 23 a) Please identify any other capital expenditures that are not included in these
 24 figures such as the proposed MUN-T2 transformer replacement.
- 25 b) NP indicates (Application, para. 3) that in 2024 it intends to demand \$2.5
 26 million in contributions in aid of construction from its customers. Does this
 27 mean that of the \$115,252,000, the amount of \$112,752,000 (i.e.,
 28 \$115,252,000 - \$2,500,000) will affect rate base and that the \$2.5 million
 29 will not affect rate base?
- 30
- 31 CA-NP-003 (Reference Application) Please provide a table of annual values from 1993 to
 32 2022 for the following items: NP’s net plant investment, NP’s rate base,
 33 number of NP’s customers, the GDP deflator, net plant investment expressed
 34 in real terms using the GDP deflator, rate base expressed in real terms using
 35 the GDP deflator, net plant in real terms per customer, and real rate base per
 36 customer.
- 37
- 38 CA-NP-004 (Reference Application) Please provide a table of the annual values from the
 39 years 1993 to 2024 for the following items: NP’s total capital expenditure, the
 40 GDP deflator, NP’s total capital expenditure expressed in real terms using the
 41 GDP deflator, the number of NP customers, NP real capital expenditures per
 42 customer. (For 2023 and 2024 use the Conference Board of Canada’s forecast
 43 for GDP deflator; for 2023 use NP’s estimate of total spending and for 2024
 44 use NP’s 2024 CBA figures.)

- 1 CP-NP-005 (Reference Application For the years 1993 to 2024 (with estimates for 2023
2 and 2024), please provide the following:
3 a) A table showing the total number of NP customers by customer class, with
4 the Domestic customers decomposed by regular and all electric.
5 b) A table showing the annual total sales, in MWh, to each group of customers
6 as requested in a).
7 c) A table showing the annual total sales, in MWh, per customer for each
8 group of customers as requested in a).
9
- 10 CA-NP-006 (Reference Application) Please confirm that the 2024 capital budget
11 application does not include any costs for electrification programs.
12
- 13 CA-NP-007 (Reference Application) Please provide a table showing for each of the past
14 25 years the capital budget amounts proposed by NP in its capital budget
15 applications, the corresponding amounts approved by the Board, and
16 identifying the specific projects and budget amounts that were not approved
17 along with the reasons given by the Board for rejecting the capital
18 expenditure(s).
19
- 20 CA-NP-008 (Reference Application) Please provide a list of the dates for all oral/public
21 hearings that the Board has held on NP's capital budget applications in the
22 past 25 years.
23
- 24 CA-NP-009 (Reference Application) If the Board were to authorize a fixed amount of
25 capital expenditure(s) by NP in 2024 that is less than the amount requested
26 and if the Board were to do so without rejecting any particular proposed capital
27 expenditure(s), then:
28 a) Would NP have the judgement, expertise and tools to determine what of
29 its proposed 2024 capital expenditures can be accommodated within that
30 fixed amount considering both work priority and execution capability?
31 b) Would NP proceed with projects according to its prioritization plan?
32
- 33 CA-NP-010 (Reference Application) Please provide all documented communication between
34 NP's senior management and line managers with respect to the 2024 CBA relating
35 to prioritization and cost efficiencies.
36
- 37 CA-NP-011 Board Order No. P.U. 36(2021)) The Board, in Order No. P.U. 36 (2021)
38 "*acknowledged the rate pressures which are expected in association with the*
39 *commissioning of the Muskrat Falls Project. The Board believes that, given*
40 *the circumstances, both Newfoundland Power and Hydro should renew their*
41 *efforts to provide evidence which demonstrates that every effort is being made*
42 *to reduce costs for customers while ensuring the continued provision of*
43 *reliable service.*"

- 1 a) Please confirm and explain NP efforts to reduce costs for customers in light
 2 of rate pressures brought on by Muskrat Falls.
 3 b) Please provide any documentation from NP senior management to line
 4 managers with respect to the 2024 CBA relating to budget control in light
 5 of rate pressures brought on by the Muskrat Falls Project.
 6

7 CA-NP-012 (Reference Application) What changes has NP made to its asset management
 8 plan and practices since filing its 2023 Capital Budget Application?
 9

10 CA-NP-013 (Reference Application) Please provide a summary of all benchmarking
 11 exercises performed by NP relating to costs and performance that have been
 12 incorporated in the 2024 Capital Budget Application. Specifically, please
 13 show how Newfoundland Power spending and performance compare to a peer
 14 group and provide relevant information on each peer included in the group.
 15

16 CA-NP-014 (Reference Application) In the 2024-2028 Capital Plan it is stated (page 2)
 17 *“Newfoundland Power’s investment priorities and five-year capital plan*
 18 *reflect the capital expenditures necessary to meet its statutory obligations*
 19 *under the Public Utilities Act and Electrical Power Control Act, 1994.”* The
 20 2024 Capital Budget Overview (page 2) states *“The Electrical Power Control*
 21 *Act, 1994 contains the provincial power policy, which requires that power be*
 22 *delivered to customers at the lowest possible cost, in an environmentally*
 23 *responsible manner, consistent with reliable service.”*

- 24 a) If the Board were to order any amount less than the amounts requested in
 25 the 2024 CBA, would NP be able to meet its statutory obligations under
 26 the provincial legislation?
 27 b) Specifically, what is NP’s mandate?
 28 c) Please provide NP’s definition of “reliable service” and all reliability
 29 criteria used to define “reliable service”.
 30 d) Please provide NP’s definition of “environmentally responsible manner”.
 31 e) Did NP incorporate the requirement that projects be undertaken in an
 32 environmentally responsible manner? Please cite such references. For
 33 example, with respect to the Substation Refurbishment and Modernization
 34 Plan it is stated (page 21) *“Implementing this plan allows the Company to*
 35 *maintain the overall condition of its substation assets in a manner that*
 36 *provides efficiency and service benefits for customers.”* Does NP propose
 37 to do so in an environmentally responsible manner?
 38 f) Is it a requirement under current provincial legislation and the Provisional
 39 Capital Budget Application Guidelines that NP provide service
 40 commensurate with the value its customers place on service, or does NP
 41 decide what constitutes reliable service on its own without consulting
 42 customers?

- 1 CA-NP-015 (Reference Application) The Midgard report titled Capital Budget Application
2 Guideline Review filed with the Board on October 29, 2020 states (page 61):
3 *“declaring that a project went to competitive tender as evidentiary*
4 *justification for meeting least cost reliable services does not address key*
5 *Board questions such as “At what unit cost are system reliability and risk*
6 *profile improved by the project”, “Does the ratepayer value the improvement*
7 *in system reliability and risk reduction more than the project cost?”, and “How*
8 *cost effective are the proposed improvements in system reliability and risk*
9 *reduction compared to other budget items being proposed and other*
10 *alternatives that are available?”*
11
12 Has NP provided answers to these questions in the 2024 CBA? If so, please
13 provide all references.
14
- 15 CA-NP-016 (Reference Application) How has NP ensured that its 2024 Capital Budget
16 provides an appropriate balance between reliability, environment, rate
17 impacts, and the value customers place on service? Has NP conducted a
18 customer engagement process and incorporated the results in its 2024 Capital
19 Budget Application, or any other Capital Budget Application in recent years?
20 If so, please provide customer surveys and documentation relating to customer
21 feedback that NP has relied upon to determine the appropriate balance between
22 reliability, environment, rate impacts, and the value customers place on
23 service, and please provide specific references to customer input and feedback
24 used in the development of the 2024 Capital Budget Application.
25
- 26 CA-NP-017 (Reference Application) Please confirm that NP has not determined the risk
27 mitigation value provided by its asset management program (i.e., the
28 difference between baseline risk and residual risk) used in the development of
29 the 2024 CBA.
30
- 31 CA-NP-018 (Reference Application) Please confirm that NP has not quantified the
32 reliability improvement resulting from its asset management program used in
33 the development of the 2024 CBA.
34
- 35 CA-NP-019 (Reference Application) Please provide a summary of all laboratory testing
36 conducted by NP in the 2024 Capital Budget Application to verify the need
37 for asset replacement.
38
- 39 CA-NP-020 (Reference Application) What is the overall improvement in productivity
40 stemming from the projects included in the 2024 Capital Budget Application?
41 Please identify the expected cost savings and provide an estimate of the impact
42 on rates.

- 1 CA-NP-021 (Reference Application) Please provide a detailed calculation of the cost to
2 own and operate NP's hydro facilities, and the amount of money recovered
3 annually from customers attributable to NP's hydro generation facilities.
4
- 5 CA-NP-022 (Reference Application) Please provide a copy of all studies relating to the
6 retirement of NP's hydro generation facilities.
7
- 8 CA-NP-023 (Reference Application) What is the current status of the new customer service
9 system? When can customers expect to start realizing the benefits, and what
10 level of cost savings can customers expect from the new customer service
11 system?
12
- 13 CA-NP-024 (Reference Application) Please provide an update on studies relating to NP's
14 capital structure and the appropriate split between debt and equity.
15
- 16 CA-NP-025 (Reference Application) Please provide an update on the load research study
17 relating to the impact of conversions from electric baseboard heating to heat
18 pumps.
19
- 20 CA-NP-026 (Reference Application) Please confirm that the Board has the authority to take
21 into consideration the current economic climate in the province in its decisions
22 and orders. Has the Board ever done so?
23
- 24 CA-NP-027 (Reference Application) Please provide for the record a copy of NP's
25 distribution planning guide explaining its planning approach, how integrated
26 resource planning is incorporated including distributed generation and
27 renewable forms of generation, how reductions in harmful environmental
28 emissions are accounted for, and how planning is influenced by government
29 zero-carbon efforts.
30
- 31 CA-NP-028 (Reference Application) Please provide for the record a copy of NP's
32 connection policy, for both new and existing customers, and for each customer
33 class.
34
- 35 CA-NP-029 (Reference Application) With respect to the General Service Rate 2.4
36 customer class:
37 a) Currently, how many customers does Newfoundland Power serve in the
38 General Service Rate 2.4 class, what is the total annual capacity and energy
39 used by the class, and what is the average annual capacity and energy use
40 per customer in that class?
41 b) Currently, excepting Memorial University from the Rate 2.4 customer
42 class, what is the total annual capacity and energy used by the class and
43 what is the average capacity and energy use per customer in the class?

- 1 c) In this class, how much of the total annual capacity and energy use is
 2 attributed to Memorial University?
 3 d) Is Memorial University considered to be an average user in the Rate 2.4
 4 customer class? If not, why not?
 5 e) What criteria are used to classify a customer as a General Service Rate 2.4
 6 customer and explain how Memorial University fits those criteria?
 7

8 CA-NP-030

(Reference Application) For each General Service Rate 2.4 customer, please identify the following with respect to its point of supply:

- 9
 10 a) The transmission/distribution lines serving the customer's substation,
 11 including designation (e.g., Line 5L), voltage level, and transfer capacity.
 12 b) The substation serving the customer including designation and number of
 13 customers served by the substation (in addition to the Rate 2.4 customer).
 14 c) The transformers at the substation serving the customer and any other
 15 customers including designation, voltage level, maximum loading, and
 16 number of customers served by the transformer (in addition to the Rate 2.4
 17 customer). If more than one transformer, please indicate if each
 18 transformer is capable of carrying the full load of the substation.
 19 d) A single line diagram showing the customer's connection facilities.
 20

21 CA-NP-031

(Reference Application) For each General Service Rate 2.4 customer, please provide:

- 22
 23 a) The connection agreement with the customer.
 24 b) The operating and maintenance costs incurred in each of the last five years
 25 on the connection facilities that benefit only that customer.
 26 c) The amount of capital spent in each of the past five years on the connection
 27 facilities that benefit only that customer.
 28 d) The amount of capital included in the 2024 Capital Budget Application in
 29 2024 and through to 2028 that is proposed to be spent on the connection
 30 facilities that benefit only that customer.
 31 e) The amount of capital and operating and maintenance cost that has been
 32 recovered in each of the past 5 years, and the amount that is proposed to be
 33 recovered through 2028, directly from Rate 2.4 customers that are
 34 benefitting from the dedicated supply facilities.
 35

36 CA-NP-032

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (page 4), it is stated "*The Board notes that General Service customers are supplied through a single supply point which is included in Newfoundland Power's cost of service and funded by all ratepayers.*"

- 37
 38 a) Does NP agree with this statement? Please elaborate.
 39 b) Are the supply points of all General Service customers the same?
 40 Specifically, are all supply points to General Service customers expected
 41 to provide comparable levels of reliability? Are any of these supply points
 42 shared with other customers?
 43
 44

1 c) Please provide reliability statistics for the supply points of each General
2 Service Rate 2.4 customer.

3
4 CA-NP-033

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 3), the Board states “*Newfoundland Power has a limited fleet of portable substations and cannot install one at the Memorial Substation until 2024 without compromising the availability of portable units to maintain service to customers during substation maintenance, capital projects, and equipment failures.*”

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10 a) What is the purpose of the portable substations?
11 b) Has NP ever deployed a portable substation even though by doing so it
12 would compromise the ability to maintain service to customers during
13 substation maintenance?
14 c) Please provide a table identifying each occasion over the past five years
15 that a portable substation has been deployed, the start and end dates of the
16 deployment, and the reason for the deployment.
17 d) Please provide a table illustrating the number of portable substations NP
18 has purchased over the previous ten years, and the cost of each.

19
20 CA-NP-034

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 5), it is stated “*the Board accepts the evidence that the Substation Replacements Due to In-Service Failures program would not accommodate work of the magnitude required to replace MUN-T2 as diverting funds from this project would impact the expenditures for substation equipment failures that require immediate attention to maintain reliable supply to customers.*”

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27 a) Is this statement correct? Was it not possible for NP to accommodate this
28 work under the Substation Replacements Due to In-Service Failures
29 program? Is it more accurate to say that NP preferred not to divert funds to
30 this project? Please explain.
31 b) Would not any project under this program regardless of the cost “impact
32 the expenditures for substation equipment failures that require immediate
33 attention to maintain reliable supply to customers”?
34 c) What is the purpose of the “*Substation Replacements Due to In-Service*
35 *Failures*” program?
36 d) Can cost overages for this program be recovered under a project variance?
37 e) What is the current status of the MUN-T2 replacement project and how
38 much money has been expended on the project to date? Could the project
39 have been deferred until the 2024 Capital Budget? What impact did the
40 filing of a supplemental capital budget application for the MUN-T2
41 replacement have on regulatory costs and efficiency?
42 f) By submitting a supplemental capital budget application for the MUN-T2
43 transformer replacement rather than incorporating it under the Substation

Replacements Due to In-Service Failures program, will NP increase its rate base and profits?

- g) The Board states *“the Substation Replacements Due to In-Service Failures program would not accommodate work of the magnitude required to replace MUN-T2.”* What magnitude of work can be accommodated under the Substation Replacements Due to In-Service Failures program? At what cost level, or percentage of approved cost level, does NP decide that an in-service failure will not be included under the *Substation Replacements Due to In-Service Failures*” program? Please identify all qualifiers in the 2023 and 2024 CBAs relating to the cost of projects that can be incorporated under the program.
- h) Please identify each occasion in the past ten years when an in-service failure at a substation was not covered under the *Substation Replacements Due to In-Service Failures*” program owing to cost.
- i) Please provide a table identifying each project over the past five years that has been covered under the *Substation Replacements Due to In-Service Failures*” program, the timing, the cost, and the percentage of the cost relative to the cost approved for the program in that year.

CA-NP-035

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 6), the Board states *“The 25 MVA power transformer which will be purchased provides the maximum coverage and risk mitigation for in-service power transformers.”*

- a) Does NP agree with this statement? Please elaborate.
- b) Please provide the evidence and source that supports the Board’s statement that a 25 MVA transformer spare *“provides maximum coverage and risk mitigation for in-service power transformers”*.
- c) Has NP taken delivery of the 25 MVA transformer? And if not, when does NP expect delivery to take place? Please provide the final cost of same and how that cost compares to budget.

CA-NP-036

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 5), it is stated *“Newfoundland Power’s approved cost of service and customer rates do not currently provide for specifically-assigned charges for general service customers. Such a significant change would require a full review of Newfoundland Power’s cost of service and customer rates with the input of stakeholders, likely in a general rate application.”*

- a) Did NP submit evidence that it would be necessary to wait until there is a general rate application (GRA) before the cost of the MUN-T2 transformer replacement could be charged to the university? If so, please provide the source.
- b) Will NP request a full review of specifically-assigned charges at its next GRA, at least for General Service Rate 2.4 customers, to ensure consistency between the treatment of its customers and those of NL Hydro?

1 c) When does NP expect to file its next GRA?
2

3 CA-NP-037

(Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 5), it is stated “*The Board notes that maintaining the Memorial Substation as a primary point of supply and the Long Pond Substation as a special facility is consistent with the cost of service methodology accepted by the parties in Newfoundland Power’s most recent General Rate Application and approved by the Board in Order No. P.U. 3(2022).*”

- 9 a) Does NP agree with this statement? Please identify evidence filed by NP that supports the statement as reason for charging the cost of the MUNT-2 transformer replacement to all customers rather than only Memorial University, the sole customer that benefits from the transformer.
- 10
- 11
- 12
- 13 b) Was the cost of service study referenced by the Board used in the design of current retail rates? Are the unit costs derived in the cost of service study reflected in current rates? Please elaborate.
- 14
- 15
- 16 c) Specifically, what is the purpose of the cost of service study? Were all costs included in the cost of service study agreed to by all parties participating in the GRA?
- 17
- 18
- 19

20 CA-NP-038

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

- 21
- 22
- 23 a) Please confirm that this same statement was made in the 2023 CBA (Schedule B, page i).
- 24
- 25 b) Please provide a table identifying the information that is not available and include an explanation of why it is not available.
- 26
- 27 c) Is NP requesting the Board to provide a provisional approval of the projects in the 2024 CBA until it can provide the information?
- 28
- 29 d) Does NP expect the Board to approve a project when the conditions set out in the Provisional Capital Budget Application Guidelines have not been met?
- 30
- 31
- 32 e) Is the Board in a position to approve a project when the information requirements set out in its Provisional Guidelines are not met?
- 33
- 34

35 CA-NP-039

(Reference Application Schedule B, page ii) It is stated “*The Company is currently undertaking a review of its asset management practices that, among other matters, will evaluate options to meet the information requirements contained in the Provisional Guidelines.*”

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- 39 a) Please confirm that a similar statement was made in NP’s 2023 CBA.
- 40
- 41 b) Please identify each step that NP has taken since filing the 2023 CBA toward meeting the requirements of the Provisional Guidelines.
- 42
- 43 c) Please provide details of this asset management practices review including schedule for completion and when it is expected to be implemented.

- 1 CA-NP-040 (Reference Application Schedule B, page iii) It is stated “*Newfoundland Power does not currently have the data or software necessary to provide calculations of risk mitigation or reliability improvement.*”
- 2
- 3
- 4 a) Why not? Are risk mitigation and reliability valued by customers? How do
- 5 they rank relative to other customer priorities? Have they always been
- 6 ranked high by customers?
- 7 b) Please confirm that the risk matrix shown in Figure 1 does not meet the
- 8 requirements set out in the Provisional Guidelines relating to the
- 9 calculation of risk mitigation and reliability improvement.
- 10 c) Please identify all changes that have been made to the risk matrix since the
- 11 2023 CBA.
- 12
- 13 CA-NP-041 (Reference Application Schedule B, page ii) It is stated “*While Newfoundland Power does not use estimate classifications, as referenced in the Provisional Guidelines, budget estimates for projects and programs are expected to be accurate within a range of plus or minus 10%.*”
- 14
- 15
- 16
- 17 a) Please confirm that this same statement was made in NP’s 2023 CBA
- 18 (Schedule B, page ii).
- 19 b) Please confirm that NP has made no changes to its budget estimating
- 20 process since filing the 2023 CBA.
- 21 c) Specifically, what estimate classifications referenced in the Provisional
- 22 Guidelines are not being met in the Application?
- 23 d) How can the Board be expected to decide that all projects are “accurate
- 24 within a range of plus or minus 10%” when NP has not provided the
- 25 estimate classifications required in the Provisional Guidelines?
- 26 e) Should the Board order that any cost overruns exceeding 10% are not
- 27 prudently incurred and pass-through to consumers will not be allowed?
- 28 f) Does Newfoundland Power’s estimation approach encourage development
- 29 of project cost estimates that are on the high side?
- 30
- 31 CA-NP-042 (Reference Application Schedule B, page ii) It is stated “*In Newfoundland Power’s view, trends for individual programs can be reasonably observed in total program costs over time. The Program Trend sections therefore provide graphs of five-year historical, current budget year, and five-year forecast expenditures for each program.*”
- 32
- 33
- 34
- 35
- 36 a) Please confirm that this statement was also made in NP’s 2023 CBA
- 37 (Schedule B, page ii)
- 38 b) Please confirm that NP’s method of “trending” is to use the five-year
- 39 average.
- 40 c) Does trending in the manner proposed by Newfoundland Power take
- 41 account of the impacts of new technology and efficiency improvements on
- 42 productivity and costs?
- 43 d) If program A had annual inflation-adjusted costs of \$2 million, \$4 million,
- 44 \$6 million, \$8 million and \$10 million in years 1 to 5 respectively, and if

1 program B had annual inflation-adjusted costs of \$10, \$8 million, \$6
 2 million, \$4 million and \$2 million in years 1 to 5 respectively, and program
 3 C had annual inflation-adjusted costs of \$6 million in each of the 5 years
 4 then, according to NP's methodology, do all three programs have the same
 5 trend?

- 6 e) In the Program Trends sections, how can the forecast components, which
 7 are based on the average of five historical years, represent part of a trend?
 8

9 CA-NP-043

(Reference Application Schedule B, page ii) It is stated "*Where quantitative information is not available, qualitative assessments based on engineering judgment have been provided. For projects over \$5 million, more detailed information is provided in reports prepared by Professional Engineers or other qualified experts.*"

- 10
 11 a) Please confirm that this same statement was made in NP's 2023 CBA.
 12 b) Excluding NP staff, what other qualified experts have prepared reports
 13 associated with the 2024 Capital Budget Application?
 14 c) Please confirm that this approach is essentially unchanged from that used
 15 by NP in its recent capital budget applications.
 16 d) Are the "professional engineers or other qualified experts" referenced by
 17 NP able to quantify risk? If not, why has NP hired "professional engineers
 18 and other qualified experts" who do not have the expertise to quantify risk
 19 when it is a requirement under the Provisional Guidelines?
 20
 21
 22
 23

24 CA-NP-044

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

- 25
 26 a) Please confirm that this same statement was made in NP's 2023 CBA and
 27 that there has been no change in approach in the 2024 CBA.
 28 b) What criteria has Newfoundland Power used to determine if an alternative
 29 is "*relevant*"? Are environmental impacts one such criterion?
 30 c) How has NP incorporated future trends in its assessment? Specifically, has
 31 NP considered sensitivity studies relating to shorter asset lifespans in the
 32 event that new environmentally sensitive options become available in, for
 33 example, the next 5 years?
 34
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 36

37 CA-NP-045

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

- 38
 39 a) Please confirm that this same statement was made in NP's 2023 CBA.
 40
 41
 42

- 1 b) Does the consequence of a failure change materially over time? For
 2 example, is the consequence of the failure of MUN-T2 the same whether
 3 the project is carried out now, 5 years from now, or 5 years ago?
 4 c) Does the probability of failure change materially over time given NP's
 5 inability to quantify the difference in risk of equipment failure between
 6 now, 3 years from now, or 3 years ago?
 7 d) Is this practice consistent with that used by distribution companies
 8 elsewhere in Canada? Is it consistent with the approach used by Hydro?
 9 e) What other prioritization methodologies are used by distribution
 10 companies in Canada?
 11 f) Are there other means for prioritizing projects that do not require a
 12 significant amount of subjectivity as that used in the proposed
 13 methodology?
 14 g) Specifically, who at NP determines the priority of a project and how does
 15 NP ensure that it is applied consistently across the broad range of projects
 16 included in the Application?
 17

18 CA-NP-046 (Reference Application Schedule B, page iv) It is stated "*Newfoundland
 19 Power also considered risks of assets becoming stranded for each proposed
 20 project and program*". How did NP incorporate the risk of an asset becoming
 21 stranded owing to new technology, new environmental regulations such as
 22 zero-carbon policies, distributed generation, rate design, etc., or owing to a
 23 significant rate increase resulting from Muskrat Falls? Have the potential
 24 results of the retail rate design review been incorporated, and if so, how?
 25

26 CA-NP-047 (Reference Application Schedule B, page iv) It is stated "*Newfoundland
 27 Power submits that overall the Application includes comprehensive
 28 information that clearly describes the Application's proposals and
 29 demonstrates that all proposed capital expenditures are necessary to provide
 30 customers with access to safe and reliable service at the lowest possible cost.*"
 31 a) Please confirm that this same statement was made in NP's 2023 CBA.
 32 b) Please confirm that the projects included in the application have not been
 33 discussed with customers in terms of service improvement versus cost, and
 34 impact on the environment.
 35

36 CA-NP-048 (Reference Application, 2024 Capital Budget Overview, page 2) It is stated
 37 "*The capital expenditures proposed as part of Newfoundland Power's 2024
 38 Capital Budget Application (the "Application") are necessary to meet its
 39 statutory obligations under the Public Utilities Act and the Electrical Power
 40 Control Act, 1994.*" Are the Board's Provisional Capital Budget Application
 41 Guidelines consistent with legislation and the need to ensure projects are
 42 carried out in an environmentally responsible manner?

- 1 CA-NP-049 (Reference Application, 2024 Capital Budget Overview, page 5) It is stated
 2 “*Newfoundland Power owns and operates approximately 9,500 kilometres of*
 3 *distribution line, approximately 2,100 kilometres of transmission line, 131*
 4 *substations, 23 hydro generating plants and six thermal generating plants to*
 5 *serve its customers.*”
- 6 a) How many transmission lines are dedicated to serving a single customer?
 7 Please identify the benefiting customer.
- 8 b) How many distribution lines are dedicated to serving a single customer?
 9 Please identify the benefiting customer.
- 10 c) How many of the 131 substations serve a single customer? Please identify
 11 the benefiting customer.
- 12 d) In the above cases, how are operating and maintenance costs allocated to
 13 the single benefiting customers?
- 14 e) In the above cases, how are capital costs allocated to the single benefitting
 15 customers?
 16
- 17 CA-NP-050 (Reference Application, 2024 Capital Budget Overview, page 5) It is stated
 18 “*National construction standards are applied to ensure the Company’s*
 19 *electrical system is constructed and maintained to withstand local climatic*
 20 *conditions.*”
- 21 a) Have the standards been revised, or is there a plan to revise the standards
 22 to take into consideration global warming impacts?
- 23 b) Has NP made changes to its operation, maintenance and design practices
 24 and standards to incorporate global warming impacts?
 25
- 26 CA-NP-051 (Reference Application, 2024 Capital Budget Overview, Figure 1, page 6)
 27 Please reproduce Figure 1 based on rolling 5-year averages of SAIDI and
 28 SAIFI.
 29
- 30 CA-NP-052 (Reference Application, 2024 Capital Budget Overview, pages 7 and 8) It is
 31 stated (page 8) “*The average duration of customer outages has been*
 32 *approximately half the Canadian average since 2013.*”
- 33 a) Please provide an estimate of what it is costing customers to have
 34 reliability (SAIDI) that is about twice as good as the Canadian average and
 35 provide documentation indicating customer willingness to pay for this
 36 increased reliability.
- 37 b) Are the results shown in Figure 2 impacted by weather in the province
 38 relative to weather in other provinces?
- 39 c) Are the results shown in Figure 2 impacted by staff levels dedicated to
 40 outage response?
- 41 d) Please reproduce Figures 2 and 3 based on rolling 5-year averages.
- 42 e) What SAIDI/SAIFI targets are set by the Board?

- 1 CA-NP-053 (Reference Application, 2024 Capital Budget Overview, page 8) It is stated
 2 “*Newfoundland Power is focused on maintaining current levels of overall*
 3 *service reliability for its customers under normal operating conditions. The*
 4 *Company’s annual targets for service reliability are based on the most recent*
 5 *five-year average.*” Does Hydro have information on customer trade-offs
 6 between cost and reliability, and does the information include NP customers?
 7 If so, was it incorporated in NP’s 2024 Capital Budget process?
 8
- 9 CA-NP-054 (Reference Application, 2024 Capital Budget Overview, page 8) It is stated
 10 “*While overall levels of service reliability are viewed as acceptable, customers*
 11 *in certain areas experience service reliability that is considerably below*
 12 *Newfoundland Power’s corporate average.*”
 13 a) Is it inevitable that some customers have reliability that is below
 14 “average”?
 15 b) Do some customers have reliability that is well above average? Is it fair for
 16 customers receiving reliability that is average or below average to
 17 subsidize customers who are receiving reliability that is above average?
 18 c) How many customers experienced no distribution-related service outages
 19 in 2022?
 20
- 21 CA-NP-055 (Reference Application, 2024 Capital Budget Overview, page 8) It is stated
 22 “*Newfoundland Power’s annual capital expenditures reflect the capital*
 23 *additions, replacements and refurbishments necessary each year to provide*
 24 *safe and reliable service to customers at the lowest possible cost.*”
 25 a) Please explain how the 2024 CBA reflects the value customers place on
 26 service improvements and environmental responsibility.
 27 b) How does NP define “lowest possible cost” when NP does not know the
 28 value customers place on service improvements?
 29 c) Does Newfoundland Power plan to carry out its capital program in an
 30 environmentally responsible manner? Please explain.
 31
- 32 CA-NP-056 (Reference Application, 2024 Capital Budget Overview, page 9, Figure 4)
 33 a) Please provide a table of the annual values of the nominal and real capital
 34 expenditures given in Figure 4.
 35 b) Please explain how the nominal values of capital expenditures were
 36 converted to real (2023\$) terms; supplement the explanation with a
 37 numerical calculation for the year 2019.
 38 c) In P.U.36(1998-1999) the Board ordered “*the adoption of the GDP*
 39 *deflator for Canada as an appropriate inflation index to forecast non-*
 40 *labour operating expenses.*” Please confirm that (i) in relation to Figure 4,
 41 the inflation adjustment is for historical data, not forecasts, and (ii) the data
 42 in Figure 4 relates to capital expenditures, not operating expenses.

- 1 CA-NP-057 (Reference Application, 2024 Capital Budget Overview, page 9) It is stated
 2 “*The capital projects proposed in the Application are estimated to increase*
 3 *the Company’s annual revenue requirement by approximately \$4 million on a*
 4 *pro forma basis. The estimate includes increases in depreciation, return on*
 5 *rate base and income taxes.”*
- 6 a) What is the expected percentage increase in rates resulting from the
 7 proposed capital budget?
 8 b) How much will the 2024 CBA increase NP’s rate base and profits?
 9 c) How much would service be improved and how much gain in efficiency
 10 would result if the capital expended were increased to a level that would
 11 increase the annual revenue requirement by \$8 million?
 12 d) How much would service be diminished and how much reduction in
 13 efficiency would result if the capital expended were decreased to a level
 14 that would result in no change in the annual revenue requirement?
 15
- 16 CA-NP-058 (Reference Application, 2024 Capital Budget Overview, page 12) It is stated
 17 “*In Newfoundland Power’s view, the Company’s approach to capital planning*
 18 *tends to minimize overall costs to customers over the longer term.”* Further, it
 19 is stated “*Newfoundland Power’s contribution to average customer rates*
 20 *increased by approximately 16% from 2015 to 2024.”*
- 21 a) If NP’s contribution has increased customer rates by 16% from 2015 to
 22 2024, how has the capital planning approach “*minimized overall costs to*
 23 *customers*”?
 24 b) How does a 16% increase over this time frame compare to a peer group of
 25 comparable utilities?
 26 c) If the distribution reliability target was the Atlantic Canadian average,
 27 would NP’s contribution to rates be less?
 28
- 29 CA-NP-059 (Reference Application, 2024 Capital Budget Overview, Table 3, page 12)
 30 a) Please reproduce Table 3 showing each Atlantic utility separately.
 31 b) Please reframe Table 3 by showing capital expenditures for the given years
 32 on a per-customer basis. (If customer numbers are not available then use
 33 provincial populations for the Maritimes and population in NP’s service
 34 area for NP as proxies.)
 35
- 36 CA-NP-060 (Reference Application, 2024 Capital Budget Overview, Table 3, page 12)
 37 a) Why is a comparison to the Atlantic Canada utilities appropriate?
 38 b) Please reproduce Table 3 showing a broad range of distribution companies
 39 across Canada, e.g., Electricity Canada Region 2 utilities as listed in
 40 footnote 11 on page 7.
 41
- 42 CA-NP-061 (Reference Application, 2024 Capital Budget Overview, Appendix B, Table
 43 B-1) The table indicates that Transmission Line 146L Rebuild and Gambo
 44 Substation Refurbishment and Modernization projects were planned for 2023

1 but were deferred to allow for engineering assessment. Is it more accurate to
 2 say that NP was not ready to proceed with these projects in 2023 rather than
 3 to say that the projects were deferred?
 4

5 CA-NP-062

(Reference Application, 2024 – 2028 Capital Plan, page 1) It is stated “*the Company is targeting stability in its reliability performance.*” Please provide:

- 6 a) Customer complaints relating to reliability over time.
 7 b) Documentation informing customers of the cost of maintaining current
 8 levels of reliability.
 9 c) Customer survey responses identifying: i) the value customers place on
 10 maintaining current levels of reliability, ii) customer willingness to pay
 11 more for increased levels of reliability, iii) customer willingness to accept
 12 lower levels of reliability in exchange for lower rates.
 13 d) Current reliability criteria used by NP that balance the level of reliability
 14 with the cost to provide that level of reliability.
 15
 16

17 CA-NP-063

(Reference Application, 2024 – 2028 Capital Plan, page 1) In reference to a
 18 forecast decline in the number of customer connections, it is stated “*system load
 19 growth driven by residential development in urban areas, electrification of
 20 heating systems, and electric vehicle adoption is forecast to offset this
 21 decline.*” How, and to what extent, will these increases be offset by
 22 conversions from baseboard heating to heat pumps, rate design and behind-
 23 the-meter generation?
 24

25 CA-NP-064

(Reference Application, 2024 – 2028 Capital Plan, page 2) It is stated
 26 “*Newfoundland Power has an obligation to provide customers with equitable
 27 access to an adequate supply of power.*”

- 28 a) How does NP determine if levels of reliability better or worse than the
 29 system average are fair and equitable?
 30 b) Does provincial legislation apply equally to NL Hydro and Newfoundland
 31 Power?
 32 c) Is there a statutory obligation in the province to provide reliability that is
 33 equal to or better than the Canadian average?
 34

35 CA-NP-065

(Reference Application, 2024 – 2028 Capital Plan, Footnote 5) Please provide
 36 for the record a copy of the March 13, 2023 news release.
 37

38 CA-NP-066

(Reference Application, 2024 – 2028 Capital Plan, Figure 1) Has customer
 39 feedback concerning reliability changed materially since 2003?
 40

41 CA-NP-067

(Reference Application, 2024 – 2028 Capital Plan, page 6) It is stated
 42 “*Inflationary pressures on materials also increased following the COVID-19
 43 pandemic.*”

- 1 a) In the post-COVID-19 period of 2024-2028 does inflation continue to be
2 material?
- 3 b) How has inflation impacted the costs included in NP's 2024 capital budget
4 application?
- 5 c) Does NP (or its sources) believe that inflation is a continuing problem?
- 6 d) Please provide NP's forecast of inflation used in the Application.
- 7 e) Please provide the Conference Board of Canada's latest forecasts of the
8 annual percentage increase in (i) the Canada GDP deflator for 2024 to 2028
9 and (ii) the Business Non-residential Structures, Machinery and
10 Equipment component of the GDP deflator for 2024 to 2028.

11
12 CA-NP-068 (Reference Application, 2024 – 2028 Capital Plan, page 14, Figure 8) Please
13 add to Figure 8 by including earlier years back to and including 2000.

14
15 CA-NP-069 (Reference Application, 2023 Capital Budget Expenditure Status Report, page
16 1 of 6) How is it that budget and forecast are exactly the same for all 11
17 categories in the table?

18
19 CA-NP-070 (Reference Application) In light of existing and proposed 'green energy'
20 initiatives by the governments of Canada and Newfoundland and Labrador,
21 has Newfoundland Power analyzed the possibility that capital expenditures on
22 thermal capacity and thermal energy may become stranded? If so, please
23 provide copies of all such analyses.

24
25 CA-NP-071 (Reference Application) Please provide a discussion of the consideration being
26 given to non-wires alternatives (NWAs) in each Canadian jurisdiction
27 addressing the current practices of Canadian integrated utilities, transmission
28 companies and major distributors. Further, please provide a discussion of the
29 consideration being given to NWAs in each Canadian jurisdiction addressing
30 the current practices of Canadian regulators.

31
32 CA-NP-072 (Reference Application Schedule A, page 2 of 6, and Schedule B, LED Street
33 Lighting Replacement, page 2) On Schedule A, there are 3 street lighting
34 projects and programs including: LED Street Lighting Replacement, New
35 Street Lighting and Replacement Street Lighting. Schedule B states with
36 respect to the LED Street Lighting Replacement Program (page 2) "*Street light*
37 *fixtures will be replaced on an ongoing basis throughout the year in response*
38 *to street light trouble calls.*" Why is the Replacement Street Lighting program
39 not incorporated under the LED Street Lighting Replacement project?

40
41 CA-NP-073 (Reference Application Schedule B, Feeder Additions for Load Growth, pages
42 7 and 9)

- 43 a) Are rooftop solar or wind viable alternatives for off-loading feeders?

1 b) In Table 1, the total budget is stated at \$2,811,000. Of this amount
 2 \$516,000 is referenced as “Other” in the Cost Categories. Please provide
 3 the specifics of these “Other Costs”.
 4

5 CA-NP-074

(Reference Application, 1.2 Feeder Additions for Load Growth)

- 6 a) For these projects, were dynamic rates such as time-of-day rates considered
 7 as an alternative?
 8 b) Footnote 7 indicates that the cost for a battery storage solution is \$2.1
 9 million based on a June 2021 report prepared for the National Renewable
 10 Energy Laboratory by Cole et al. Please provide the calculation and all
 11 assumptions.
 12 c) Are utility-scale battery systems in use elsewhere?
 13 d) What are the expected operating and maintenance costs for utility-scale
 14 battery systems?
 15 e) Do the significant cost reductions in utility-scale battery systems going
 16 forward suggest that portions of the feeder additions for load growth
 17 project may become stranded?
 18

19 CA-NP-075

(Reference Application Schedule B, Distribution Reliability Initiative, page
 20 12) It is stated “*The reliability performance experienced by the 658 customers
 21 served by this section of WAV-01 feeder has been considerably worse than
 22 Newfoundland Power’s corporate average over the last three years.*”

- 23 a) For how long has this been the case?
 24 b) Please provide a list of all complaints relating to reliability of supply by
 25 customers served by this section of the feeder. What percentage of all
 26 complaints related to reliability on NP’s system does this represent?
 27 c) Please list each reliability problem with this feeder that NP has addressed
 28 since 2000, describe the action and cost needed to address each, and
 29 describe the associated impact on customers served by the feeder.
 30

31 CA-NP-076

(Reference Application Schedule B, Reconstruction, page 31) It is stated “*An
 32 average of 482 deficiencies were corrected annually under the Reconstruction
 33 program from 2018 to 2022, ranging from 386 in 2022 to 535 in 2018.*” Please
 34 provide the total and adjusted cost for the reconstruction program in 2018.
 35

36 CA-NP-077

(Reference Application Schedule B, Rebuild Distribution Lines, page 33) The
 37 program is described as follows “*Rebuild Distribution Lines is a preventative
 38 maintenance program that involves the planned replacement of deteriorated
 39 distribution structure and electrical equipment identified through inspections
 40 or engineering reviews. These programs include both the rebuilding of
 41 sections of distribution line and the selection of replacement of line
 42 components such as deteriorated poles, crossarms, conductors, cut-outs, and
 43 insulators.*”

- 1 a) Please provide the inspection and engineering reviews that were
 2 undertaken in relation to this cost.
 3 b) Have any environmental or regulatory and/or field studies or likewise been
 4 undertaken in NP's planning process to mitigate unanticipated terrain /
 5 environmental issues such as those encountered with Transmission Line
 6 Rebuild 124L?
 7

8 CA-NP-078

(Reference Application Schedule B, Relocate/Replace Distribution Lines for
 9 Third Parties, page 38) It is stated that the 2024 budget of \$4,066,000 for this
 10 program is based on a "historical average" of the annual costs of the program
 11 from 2019 to forecast 2023.

- 12 a) Table 1 (page 39) indicates that the 2019 cost for the program, at
 13 \$5,192,000 was significantly higher than in any of the other years used to
 14 calculate the historical average. Moreover, NP's 2023 CBA (Schedule B,
 15 page 47) reported the program's 2018 annual cost at \$2,496,000. (i) Why
 16 was the 2019 cost so much higher than in 2018, 2020, 2021, 2022 and
 17 2023F? (ii) Did NP consider adjusting its 2024 cost to take into account
 18 the fact that 2019 was an outlier? (iii) If the years 2020, 2021, 2022 and
 19 2023F had been used to determine the historical average, what would have
 20 been the resulting cost figure for 2024?
 21 b) (i) Please confirm, based on a program cost in 2023 of \$3,803,000 and a
 22 2024 budget of \$4,066,000, that NP is seeking a 6.9% increase for this
 23 program for 2024. (ii) What is Conference Board of Canada's forecast for
 24 inflation for 2024? (iii) Does NP have any evidence specifically related to
 25 this program that suggests that its cost will increase by more than the rate
 26 of inflation in 2024?
 27

28 CA-NP-079

(Reference Application, 1.1 Distribution Reliability Initiative, pages 1 and 2)
 29 It is stated "*On average, the project has improved the reliability performance*
 30 *of Newfoundland Power's worst performing feeders by approximately 69%.*"
 31 At what cost, and what impact did this have on the number of customer
 32 complaints relating to reliability?
 33

34 CA-NP-080

(Reference Application, 1.1 Distribution Reliability Initiative, pages 4 and 5)
 35 It is stated "*Long duration outages on this section are primarily due to*
 36 *equipment failures and danger tree contacts.*"

- 37 a) Is historical reliability performance a useful input to a decision to upgrade
 38 a feeder?
 39 b) Does the above statement suggest that NP's tree trimming and vegetation
 40 management programs are inadequate?
 41 c) What additional actions could be taken by NP to reduce or eliminate danger
 42 tree contacts?

- 1 d) If NP were to take action to reduce the impact of danger tree contacts, how
 2 would that impact the reliability statistics shown in Table 2 (page 5), and
 3 at what cost?
 4 e) If the line is relocated as proposed, will danger tree contacts be eliminated?
 5 f) Please file for the record copies of NP's tree trimming and vegetation
 6 management programs.
 7

8 CA-NP-081 (Reference Application Schedule B, Distribution Feeder Automation, page 15)
 9 It is stated "*A total of 13 downline reclosers are planned for installation in*
 10 *2024.*" Why install 13 reclosers rather than 5 or 100?
 11

12 CA-NP-082 (Reference Application Schedule B, Distribution Feeder OXP-01
 13 Refurbishment, page 22) It is stated "*The section of three-phase distribution*
 14 *trunk supplying Thorburn Road, west of Team Gushue Highway, was recently*
 15 *inspected in 2022. The inspection identified a significant number of*
 16 *deficiencies on the 3.2-kilometre section of three-phase trunk along Thorburn*
 17 *Road.*"
 18 a) How many other distribution feeders does NP own that are sub-standard?
 19 b) Is OXP-01 currently a safety concern?
 20 c) Please provide the results of any inspections of the 3.2-kilometre section
 21 undertaken prior to 2022.
 22

23 CA-NP-083 (Reference Application Schedule B, Extensions, page 26)
 24 a) With annual expenditures exceeding \$12 million on the Extensions
 25 program why has NP not developed an engineering and cost-based means
 26 of forecasting average cost per connection?
 27 b) Does NP's method of forecasting based on historical average cost per
 28 connection take into account any trend in productivity?
 29 c) In Table 1 what method is used to arrive at "Adjusted Cost"? Specifically,
 30 is the Canada GDP deflator applied to the nominal 2019 to 2023 values to
 31 obtain Adjusted Costs?
 32 d) Table 1 shows a strong downward trend in inflation adjusted cost per
 33 connection (Cost/Customer) from 2019 to 2022. What explanation can NP
 34 offer for that trend?
 35 e) Table 1 implies an 11.4% real increase (i.e., excluding inflation) in the
 36 2023 Cost/Customer compared to 2022 (based on \$5,541 for 2023
 37 compared to \$4,974 for 2022). Has NP investigated whether this large
 38 increase is an anomaly and whether the downward trend may continue after
 39 2023?
 40 f) In Table 1, the forecast value of the 2024 Cost/Customer is \$5,913.
 41 (i) Please confirm that \$5,913 represents a 6.7% increase in 2024 over
 42 the previous year's forecast value of \$5,541.
 43 (ii) Based on the GDP deflator, what is the Conference Board of
 44 Canada's forecast of the inflation rate in 2024?

- (iii) Does NP have any evidence specifically related to this program that suggests that the Cost/Customer will increase by more than the rate of inflation in 2024?

CA-NP-084

(Reference Application Schedule B, Rebuild Distribution Lines, page 33) It is stated “*Rebuild Distribution Lines is a preventative maintenance program that involves the planned replacement of deteriorated distribution structures and electrical equipment identified through inspections or engineering reviews.*”

- a) Why is the Distribution Feeder OXP-01 Refurbishment project not included under this program?
- b) Please quantify the risk and impact on reliability if NP were to forgo this work in 2024.
- c) If NP were to forgo this work in 2024, would the level of reliability on the system remain above the Canadian average? Would delaying this work be consistent with providing service in an environmentally responsible manner?
- d) Please provide the inspection and/or engineering reports referenced at Schedule B, page 33.

CA-NP-085

(Reference Application Schedule B, Replacement Transformers, page 42) It is stated “*The Replacement Transformers program includes the cost of replacing or refurbishing distribution system transformers that have deteriorated or failed in service.*”

- a) Are transformer failures random? Why were the annual Adjusted Costs of this program consistently between \$3.5 and \$3.9 million from 2019 to 2022?
- b) Please provide the annual number of transformer replacements and refurbishments due to deterioration or failure in service since 2000.
- c) In Table 1, the Adjusted Costs in 2021 and 2022 are higher than the other years. Has NP considered that they may be anomalies arising from supply-chain issues due to COVID-19 or for 2022 in particular the impact of Russian attacks on Ukraine’s electrical infrastructure? Or is the historical-cost approach used solely, with no use of any other relevant information?
- d) According to Table 1 this program’s forecast cost is \$3.345 million for 2023 and the application is requesting \$3.681 million for 2024. i) Please confirm that this amounts to a 10% increase. ii) Does NP have any engineering or cost based data to suggest that a 10% increase in this program is reasonable to expect?
- e) Please provide evidence that this project is consistent with providing service in an environmentally responsible manner.
- f) Please advise of the anticipated timeframe between NP’s order of the transformer and its receipt from the supplier.

- 1 CA-NP-086 (Reference Application Schedule B, New Transformers, pages 46 and 48) It is
 2 stated “*The New Transformers program includes the cost of purchasing*
 3 *transformers to serve customer growth.*” Further, on page 48 it is stated “*The*
 4 *number of new transformers required to be installed varies annually based on*
 5 *customer growth and load density on sections of distribution feeders.*”
 6 a) Should a portion of the cost forecast be tied to the number of new
 7 customers, particularly in light of the reduction in growth of new customers
 8 in recent years?
 9 b) Table 1 indicates that the forecast cost of this program for 2023 is \$2.967
 10 million. The budget request for 2024 is \$3.264 million. (i) Please confirm
 11 that this represents a 10% increase for 2024. (ii) How does that increase
 12 compare to the Conference Board of Canada’s forecast for inflation (GDP
 13 deflator) for 2024? (iii) Does NP have any specific engineering or cost
 14 data to support a 10% increase in spending on the New Transformers
 15 program?
 16
- 17 CA-NP-087 (Reference Application Schedule B, New Street Lighting, page 52) Is the
 18 number of new street lights impacted by growth in the number of new
 19 customers?
 20
- 21 CA-NP-088 (Reference Application Schedule B, Replacement Street Lighting, page 55)
 22 a) Please provide annual costs and inflation-adjusted costs for this program
 23 2021, 2022 and 2023F.
 24 b) For each of those years, please provide the number of trouble calls from
 25 customers that led to expenditures under this program.
 26 c) Based on the 2023F expenditure on this program please provide the
 27 percentage increase implied for 2024 by NP’s 2024 CBA.
 28
- 29 CA-NP-089 (Reference Application, 2.1 2024 Substation Refurbishment and
 30 Modernization)
 31 a) Do supply chain constraints (page 1) still exist, and if so, for how long are
 32 supply chain issues expected to be a problem?
 33 b) There have been 7 major power transformer failures in the past 5 years
 34 (page 5). How many major power transformer failures were there in the
 35 previous 5-year period?
 36 c) Please provide evidence that this program is needed to supply customers
 37 in an environmentally responsible manner.
 38 d) Please confirm the following: i) the GAM substation serves 4,870
 39 customers, 1,370 in the Gambo area via a single transformer GAM-T1, and
 40 3,500 via a single transformer GAM-T2 supplying the radial transmission
 41 line 115L, ii) the MUN substation serves 1 customer (Memorial
 42 University’s St. John’s campus) via two transformers, MUN-T1 and MUN-
 43 T2. There are two transmission lines supplying the MUN substation, 12L
 44 and 14L, iii) the OPL substation serves 1,800 customers (in the Old

Perlican, Bay de Verde and Lower Island Cove areas) via a single transformer, OPL-T1, and iv) the ISL substation serves 1,100 customers in the Islington area via a single transformer, ISL-T1.

- e) Please identify any General Service Rate 2.4 customers served by these substations.
- f) Will there be customer contributions toward the cost of any of the proposed Substation Refurbishment and Modernization projects in 2024 and through to 2028?
- g) Do the looped 66 kV lines between MUN and the King's Bridge substation, and between MUN and the Stamp's Lane substation serve only the Memorial University's St. John's campus substation?
- h) Why doesn't the University own the MUN-T1 and MUN-T2 transformers and all equipment downstream from the transformers?

CA-NP-090

(Reference Application, 2.1 2024 Substation Refurbishment and Modernization) The projected budget for each of the four proposed substation projects (Gambo, Islington, Memorial and Old Perlican) is broken down by Materials, Labor-Internal, Labor-Contract, Engineering and "Other". "Other" ranges from 11% to 16% of the total cost (Gambo 12%, Islington 11%, Memorial 16% and Old Perlican 14%).

- a) Please confirm these figures.
- b) Please confirm that the total for "other" costs for all four substations is \$2,365,000.
- c) Specifically, what costs are included in the "other" cost category?
- d) As a general rule, how does NP account for contingencies in its cost estimation process?

CA-NP-091

(Reference Application Schedule B, Gambo Substation Refurbishment and Modernization, page 61) It is stated "*The Gambo Substation Refurbishment and Modernization project will mitigate risks to the delivery of reliable service to customers from Gambo to Lumsden in the Bonavista-North area.*"

- a) Please confirm that this statement is not based on a quantified analysis of the risk of deferring this project until 2026 relative to carrying out the project in 2024 because NP is unable to quantify risk.
- b) Is the risk assessment in Table 2 relevant to this point in time, or 2024 when the project is completed, or some other time frame?
- c) The risk assessment in Table 2 indicates that the consequence of failure is "serious (4)". Has the consequence of failure changed in the past 3 years? Is the consequence of failure likely to change over the next 3 years?
- d) Is the consequence of failure of any substation "serious"?
- e) The risk assessment in Table 2 indicates that the probability of failure is "likely (4)". Had the assessment been undertaken 3 years ago would the probability of failure have been ranked "likely"? Three years from now would the probability of failure continue to be ranked "likely" if substation

1 maintenance continues and any failures that arise are addressed under
2 programs designed to address in-service failures?

- 3 f) Please provide the number and duration of service interruptions to
4 customers caused by failures at the Gambo Substation from 2000 to date.
5

6 CA-NP-092

(Reference Application Schedule B, Islington Substation Refurbishment and
7 Modernization, page 65) It is stated "*The Islington Substation Refurbishment
8 and Modernization project will mitigate risks to the delivery of reliable service
9 to customers from the Islington and New Harbour areas.*"

- 10 a) Please confirm that this statement is not based on a quantified analysis of
11 the risk of deferring this project until 2026/27 relative to carrying out the
12 project in 2024/25 because NP is unable to quantify risk.
13 b) Is the risk assessment in Table 2 relevant to this point in time, or 2024/25
14 when the project is completed, or some other time frame?
15 c) The risk assessment in Table 2 indicates that the consequence of failure is
16 "serious (4)". Has the consequence of failure changed in the past 3 years?
17 Is the consequence of failure likely to change over the next 3 years?
18 d) The risk assessment in Table 2 indicates that the probability of failure is
19 "likely (4)". Had the assessment been undertaken 3 years ago would the
20 probability of failure have been ranked "likely"? Three years from now
21 would the probability of failure continue to be ranked "likely" if substation
22 maintenance continues and any failures that arise are addressed under
23 programs designed to address in-service failures?
24 e) Please provide the number and duration of service interruptions to
25 customers caused by failures at the Islington Substation from 2000 to date.
26

27 CA-NP-093

(Reference Application Schedule B, Memorial Substation Refurbishment and
28 Modernization, page 69) It is stated "*The Memorial Substation Refurbishment
29 and Modernization project will mitigate risks to the delivery of reliable service
30 to the Company's largest customer.*"

- 31 a) Please confirm that this statement is not based on a quantified analysis of
32 the risk of deferring this project until 2026 relative to carrying out the
33 project in 2024 because NP is unable to quantify risk.
34 b) Is the risk assessment in Table 2 relevant to this point in time, or 2024
35 when the project is completed, or some other time frame?
36 c) The risk assessment in Table 2 indicates that the consequence of failure is
37 "serious (4)". Has the consequence of failure changed in the past 3 years?
38 Is the consequence of failure likely to change over the next 3 years?
39 d) The risk assessment in Table 2 indicates that the probability of failure is
40 "likely (4)". Had the assessment been undertaken 3 years ago would the
41 probability of failure have been ranked "likely"? Three years from now
42 would the probability of failure continue to be ranked "likely" if substation
43 maintenance continues and any failures that arise are addressed under
44 programs designed to address in-service failures?

1 e) Please provide the number and duration of service interruptions to
 2 Memorial University caused by failures at the Memorial Substation from
 3 2000 to date.
 4

5 CA-NP-094

(Reference Application Schedule B, Old Perlican Substation Refurbishment and Modernization, page 73) It is stated "*The Old Perlican Substation Refurbishment and Modernization project will mitigate risks to the delivery of reliable service to customers in the Old Perlican, Bay de Verde, and Lower Island Cove area.*"

- 6
7
8
9
10 a) Please confirm that this statement is not based on a quantified analysis of
11 the risk of deferring this project until 2026 relative to carrying out the
12 project in 2024 because NP is unable to quantify risk.
13 b) Is the risk assessment in Table 2 relevant to this point in time, or 2024
14 when the project is completed, or some other time frame?
15 c) The risk assessment in Table 2 indicates that the consequence of failure is
16 "serious (4)". Has the consequence of failure changed in the past 3 years?
17 Is the consequence of failure likely to change over the next 3 years?
18 d) The risk assessment in Table 2 indicates that the probability of failure is
19 "likely (4)". Had the assessment been undertaken 3 years ago would the
20 probability of failure have been ranked "likely"? Three years from now
21 would the probability of failure continue to be ranked "likely" if substation
22 maintenance continues and any failures that arise are addressed under
23 programs designed to address in-service failures?
24 e) Please provide the number and duration of service interruptions to
25 customers caused by failures at the Old Perlican Substation from 2000 to
26 date.
27

28 CA-NP-095

(Reference Application Schedule B, Substation Replacements Due to In-Service Failures, page 75) It is stated "*The Substation Replacements Due to In-Service Failures program involves replacing substation equipment that has failed as a result of storm damage, lightning strikes, vandalism, electrical or mechanical failure, corrosion damage, technical obsolescence or failure during maintenance testing.*"

- 29
30
31
32
33
34 a) For each year since 2000, please provide the number of substation in-
35 service failures and their average duration. Describe the impact such
36 failures typically have on customers.
37 b) The amount requested for 2024 is \$4.797 million while Table 1 indicates a
38 forecast expenditure on substation replacements of \$4.422 million in 2023.
39 (i) Please confirm that this represents an 8.5% increase in 2024. (ii) How
40 does that increase compare to the Conference Board of Canada's forecast
41 for inflation (GDP deflator) for 2024? (iii) Please provide specific
42 engineering or cost data that NP has available to justify an 8.5% increase
43 in spending on the Substation Replacements program in 2024.

- 1 CA-NP-096 (Reference Application Schedule B, Transmission Line 146L Rebuild, page
2 82) It is stated “*The Transmission Line 146L Rebuild project will mitigate risks*
3 *to the delivery of reliable service to customers supplied by the Central*
4 *Newfoundland 138 kV looped transmission network.*”
- 5 a) Please confirm that this statement is not based on a quantified analysis of
6 the risk of deferring this project until 2026/27 relative to carrying out the
7 project in 2024/25 because NP is unable to quantify risk.
- 8 b) Is the risk assessment in Table 2 relevant to this point in time, or 2024/25
9 when the project is completed, or some other time frame?
- 10 c) The risk assessment in Table 2 indicates that the consequence of failure is
11 “critical (5)”. Has the consequence of failure changed in the past 3 years?
12 Is the consequence of failure likely to change over the next 3 years?
- 13 d) The risk assessment in Table 2 indicates that the probability of failure is
14 “likely (4)”. Had the assessment been undertaken 3 years ago would the
15 probability of failure have been ranked “likely”? Three years from now
16 would the probability of failure continue to be ranked “likely” if
17 transmission line maintenance continues and any failures that arise are
18 addressed under programs designed to address in-service failures?
- 19 e) Please provide evidence that this program is needed to supply customers
20 in an environmentally responsible manner.
- 21
- 22 CA-NP-097 (Reference Application, Schedule B, Information Systems, pages 104-120)
23 The total amount for annual internal labour for application enhancements,
24 shared server infrastructure, system upgrades and cyber security upgrades is
25 \$2,859,000, representing about 57% of the total budget for Information
26 Systems.
- 27 a) Please confirm these figures.
- 28 b) What are the budgeted costs for Information Systems labour in 2024 for
29 projects that cost less than \$750,000?
- 30 c) Please identify the total number of staff in NP’s Information Systems
31 department, and the total budget for the department broken down by cost
32 component.
- 33 d) Please identify staff levels in NP’s Information Systems department in
34 each of the past 10 years, and forecast over the next 5 years.
- 35 e) Please identify the total staff and labour cost savings resulting from the
36 new customer information system in each of the next 5 years.
- 37 f) Please identify the total staff and labour cost savings resulting from other
38 information systems projects proposed for completion in 2024 in each of
39 the next 5 years.
- 40 g) How many Information Systems department staff have retired over the past
41 5 years, and are projected to retire in each of the next 5 years.
- 42
- 43 CA-NP-098 (Reference Application, 3.1 2024 Transmission Line Rebuild, page 1) It is
44 stated “Transmission line failures typically result in outages to a significant

number of customers at once.” How many customers would experience an outage if the 66kV transmission line between King’s Bridge and MUN or the 66kV transmission line between Stamp’s Lane and MUN failed? What is the likelihood of both of these lines being out of service at the same time?

CA-NP-099

(Reference Application, 3.1 2024 Transmission Line Rebuild, page 3) It is stated “*The substandard design of this line means it is not built to withstand local climatic conditions, which increases its probability of failure.*”

- a) Is it a statutory requirement that line 146L be built to withstand local climate conditions?
- b) For how long has the line not been able to withstand local climate conditions?
- c) Please provide outage statistics for this line for each of the past 10 years.
- d) Please provide maintenance costs for this line in each of the past 10 years.
- e) Have any environmental or regulatory and/or field studies or likewise been undertaken in Newfoundland Power’s planning process to mitigate unanticipated terrain/environmental issues such as those encountered with Transmission Line Rebuild 124L?

CA-NP-100

(Reference Application, 3.1 2024 Transmission Line Rebuild, page 7) Footnote 12 states “*Reliability indices are lagging indicators that encompass historical issues on the electrical system. Waiting for reliability on the transmission system to degrade before undertaking capital investments would result in a poor quality of service being experienced by large numbers of customers for several years.*”

- a) Does that statement apply to all transmission and distribution lines, substations, and substation equipment?
- b) Does considering lagging reliability indicators necessarily mean that a decision is being made to wait until the transmission system degrades before undertaking capital investments, or is it just one of many considerations in such a decision?
- c) Should the Board and intervenors ignore all historical reliability statistics referenced in the 2024 CBA?
- d) Please identify all historical reliability statistics included in the 2024 CBA and explain why they are included given that such historical information results in poor quality of service.
- e) How can the Board assess the merits of a project if it is to ignore historical performance, particularly when NP is unable to quantify service improvements owing to a proposed project?

CA-NP-101

(Reference Application, 3.1 2024 Transmission Line Rebuild, page 8) It is stated “*An outage to Transmission Line 146L results in two sections of the Central Newfoundland 138 kV transmission system becoming radial. Following an outage, all substations in the Eastern half of the system from*

1 *Port Blandford to Wesleyville would be radially supplied from the series of*
 2 *transmission lines originating from SUN Substation. When radially supplied,*
 3 *any single failure on one of these transmission lines could result in outages to*
 4 *between 4,900 and 8,700 customers downstream of the affected line. Similarly,*
 5 *on the Western portion of the system, Gander Substation would be radially*
 6 *supplied by Transmission Line 144L from Cobbs Pond Substation, increasing*
 7 *the risk of an outage to approximately 1,700 customers.”*

- 8 a) Is this a positive outcome given that supply to all customers would be
 9 maintained following the loss of transmission line 146L?
 10 b) What reliability criteria are used by NP to design its transmission system?
 11 c) What criteria are used by NP to design its distribution system?
 12 d) Would loss of any transmission line on NP’s system result in a similar
 13 reliability risk exposure described in the above statement?
 14 e) Does the above statement suggest that NP should plan its transmission
 15 system to meet an n-2 or n-3 criterion? What cost impact would result, and
 16 have customers indicated a willingness to pay for increased levels of
 17 reliability?
 18 f) What criteria do most utilities in North America use when planning their
 19 transmission systems? What criteria do most utilities in North America use
 20 when planning their sub-transmission systems? What planning criteria for
 21 transmission systems and sub-transmission systems are recommended by
 22 NERC?
 23

24 CA-NP-102 (Reference Application, 3.1 2024 Transmission Line Rebuild, page 11) It is
 25 stated “*Alternative 2 ensures the continued reliability of the Central*
 26 *Newfoundland 138 kV looped transmission system during the execution of the*
 27 *project.*” Does this suggest that Line 146L is expected to operate reliably for
 28 the next several years?
 29

30 CA-NP-103 (Reference Application, 3.1 2024 Transmission Line Rebuild, page 14) It is
 31 stated “*The rebuilding of Transmission Line 146L has been deferred by over*
 32 *15 years.*” Please explain this. Has NP been operating this line for the past 15
 33 years in spite of the noted reliability issues and its sub-standard design?
 34

35 CA-NP-104 (Reference Application Schedule B, Transmission Line Maintenance, Table 1,
 36 page 84) It is stated “*The Transmission Line Maintenance program involves*
 37 *the replacement of transmission line infrastructure that has failed or is at risk*
 38 *of failure.*” Table 1 shows that from 2019 through 2023 the adjusted cost
 39 varied from a low of \$2.5 million to a high of \$2.6 million. How is it that there
 40 is so little variation in cost over a five-year period when failures are random?
 41

42 CA-NP-105 (Reference Application Schedule B, Lookout Brook Hydro Plant
 43 Refurbishment, Table 2, page 92) It is stated “*not proceeding with the Lookout*

1 *Brook Hydro Plant Refurbishment project would pose a High (20) risk to the*
 2 *delivery of least-cost service to customers.”*

- 3 a) Is the risk assessment in Table 2 relevant to this point in time, or 2024/25
 4 when the project is completed, or some other time frame?
 5 b) The risk assessment in Table 2 indicates that the consequence of failure is
 6 “critical (5)”. What is the basis for the “critical” ranking? Has the
 7 consequence of failure changed in the past 3 years? Is the consequence of
 8 failure likely to change over the next 3 years?
 9 c) The risk assessment in Table 2 indicates that the probability of failure is
 10 “likely (4)”. Had the assessment been undertaken 3 years ago would the
 11 probability of failure have been ranked “likely”? Three years from now
 12 would the probability of failure continue to be ranked “likely” if plant
 13 maintenance continues and any failures that arise are addressed under
 14 programs designed to address in-service failures?
 15

16 CA-NP-106

(Reference Application, 4.1 Lookout Brook Hydro Plant Refurbishment)

- 17 a) What is the payback period for this project?
 18 b) What is the probability of the plant becoming stranded?
 19 c) Please provide evidence that this project is needed to supply customers in
 20 an environmentally responsible manner.
 21 d) On page 15 it is stated “*Deferring the proposed refurbishment to a future*
 22 *year would increase the risk of failure of a major Plant component.”* Has
 23 there been a continuing risk of failure for the past 10 years? How much
 24 greater is the risk now?
 25 e) What are the results of the economic analysis if the plant is assumed to
 26 become obsolete in 2035?
 27

28 CA-NP-107

(Reference Application Schedule B, Mobile Hydro Plant Surge Tank
 29 Refurbishment, Table 2, pages 96-97) It is stated “*Based on the current*
 30 *condition of the Mobile Plant surge tank, the probability of failure is possible.”*
 31 Further, it is stated “*not proceeding with the Mobile Hydro Plant Surge Tank*
 32 *Refurbishment project would pose a Medium-High (15) risk to the delivery of*
 33 *least-cost service to customers.”*

- 34 a) Please provide evidence that this project is needed to supply customers in
 35 an environmentally responsible manner.
 36 b) Is the risk assessment in Table 2 relevant to this point in time, or 2024
 37 when the project is completed, or some other time frame?
 38 c) The risk assessment in Table 2 indicates that the consequence of failure is
 39 “critical (5)”. What makes the consequence of failure “critical”? Has the
 40 consequence of failure changed in the past 3 years? Is the consequence of
 41 failure likely to change over the next 3 years?
 42 d) The risk assessment in Table 2 indicates that the probability of failure is
 43 “possible (3)”. Had the assessment been undertaken 3 years ago would the
 44 probability of failure have been ranked “possible”? Three years from now

would the probability of failure continue to be ranked “possible” if plant maintenance continues and any failures that arise are addressed under programs designed to address in-service failures?

- 1
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4
- 5 CA-NP-108 (Reference Application, 4.2 Mobile Hydro Plant Surge Tank Refurbishment)
- 6 a) What is the payback period for this project?
- 7 b) What is the probability of the plant becoming stranded?
- 8 c) What are the results of the economic analysis if the plant is assumed to
- 9 become obsolete in 2035?
- 10 d) Was Kleinschmidt asked to quantify the risk of project deferral? If not,
- 11 why not?
- 12 e) How much did the Kleinschmidt assessment cost?
- 13 f) Please describe the procurement process followed that resulted in the
- 14 selection of Kleinschmidt.
- 15
- 16 CA-NP-109 (Reference Application Schedule B, Replace Vehicles and Aerial Devices
- 17 2024-2025, page 131) Please provide a table showing the types, number and
- 18 cost of vehicles replaced in each of the past 5 years.
- 19
- 20 CA-NP-110 (Reference Application Schedule B, Allowance for Unforeseen Items, page
- 21 137)
- 22 a) Is there any basis on which NP is proposing a \$750,000 budget for this
- 23 item other than that is the amount selected in recent years?
- 24 b) According to the Capital Budget Expenditure Status Report (page 4 of 6)
- 25 none the 2023 allocation of \$750,000 had been spent up to May, but an
- 26 expenditure of \$750,000 was still forecast for the year. What is the basis
- 27 of that forecast for the remainder of the year?
- 28 c) According to section V.A.7 of the Capital Budget Application Guidelines
- 29 (Provisional) effective January 2022, a utility must file a final report on
- 30 work carried out using these funds and “*This report should be copied to*
- 31 *the intervenors in the utility’s most recent annual capital budget*
- 32 *application.*” Has any such report been filed with the current application?
- 33 If not, please provide.
- 34 d) Recent amendments to the Public Utilities Act now allow for a utility to
- 35 undertake capital expenditures of up to \$750,000 without prior approval of
- 36 the Board. Does this legislative change make this budget request for
- 37 \$750,000 for Allowance for Unforeseen Items unnecessary?
- 38
- 39 CA-NP-111 (Reference Application Schedule C, page 1 of 9, Replacement Meters and
- 40 New Meters)
- 41 a) What types of meters are used to replace deteriorated meters, and what
- 42 types of meters are installed at new customer sites?
- 43 b) Is Advanced Metering Infrastructure (AMI) being used, and if not, why
- 44 not?

1 c) Will meters required for the load research study be used for replacement
2 meters or meters at new customer sites?
3

4 CA-NP-112 (Reference Application Schedule C, page 2 of 9, Distribution Feeder BIG-02
5 Relocation) Why isn't this project included as part of the Transmission Line
6 24L relocation project?
7

8 CA-NP-113 (Reference Application Schedule C, page 3 of 9, Substation Protection and
9 Control Replacements and Substation Ground Grid Upgrades) Why aren't
10 these projects included as part of the Substation Refurbishment and
11 Modernization project?
12

13 CA-NP-114 (Reference Application Schedule C, page 3 of 9, Oxen Pond Substation Bus
14 Upgrade) Why isn't this project included as part of the Feeder Additions for
15 Load Growth project?
16

17 CA-NP-115 (Reference Application Schedule C, page 5 of 9, Transmission Line 24L
18 Relocation) Why isn't this project included as part of the Transmission Line
19 Rebuild Project?
20

21 CA-NP-116 (Reference Application, 5.1 2024 Application Enhancements) It is stated (page
22 10) "*The Various Minor Enhancements item allows Newfoundland Power to*
23 *respond to unforeseen requirements that occur throughout the year, such as*
24 *legislative and compliance changes.*" A number of examples of previously
25 completed projects are listed. Which of these projects were carried out owing
26 to "legislative and compliance changes"?
27

28 CA-NP-117 (Reference Application) Regarding Newfoundland Power's Wood Pole Line
29 Management Program:
30 a) What programs, if any, does NP have to ensure the extension of wood pole
31 asset life?
32 b) What are NP's policies and practices regarding reduction of the
33 environmental footprint relating to wood pole disposal?
34 c) What preservation treatments has NP used to preserve the life of wood
35 poles?
36 d) What wood pole line management programs are in place in Atlantic
37 Canada?
38 e) What wood line management programs are in place in other Fortis
39 companies in Canada?
40 f) What is the unit cost for the purchase of wood poles? Provide a table
41 showing the unit costs for wood pole purchases for the last ten years.
42 g) What is the average life of wood poles and how has the average life been
43 improved, if at all?

- 1 h) Please provide details of NP’s inspection plan for wood poles and compare
 2 your inspection program with that of NL Hydro.
 3 i) What is NP’s inspection cycle for wood poles?
 4

5 CA-NP-118

(Reference Application) On April 21, 2023, NL Hydro filed with the Board a
 6 report entitled “*Wood Pole Line Management Program – Progress Report*”.
 7 The report concludes (page 12)
 8

9 “*Hydro’s WPLM Program is achieving the goals of increasing reliability,
 10 extending asset life, reducing Hydro’s environmental footprint and reducing
 11 total cost of ownership. Hydro is projecting an average life extension of its
 12 transmission wood pole plant of at least 17 years beyond the benchmark Iowa-
 13 50 survival curve. Hydro’s WPLM Program is well aligned with best practices
 14 used in the industry. Hydro’s assessment demonstrates that the cost of the
 15 WPLM Program is well justified by cost avoidance savings through reduced
 16 in-service failures and reduced unplanned repair costs, as well as reliability
 17 improvements and life extension of existing pole plant assets. In addition, the
 18 program has been effective in preventing the premature retirement of viable
 19 components which still have continued life expectancy.*”
 20

21 On June 28, 2023 NP filed with the Board comments on NL Hydro’s report.
 22 NP states that it has “*initiated discussions with Hydro and has further meetings
 23 planned with Hydro’s technical and engineering staff to better understand the
 24 potential benefits of a chemical re-treatment program for Newfoundland
 25 Power’s transmission line wood poles.*” NP goes on to identify examples of
 26 the types of information it will be seeking from Hydro and states:
 27

28 “*Newfoundland Power is currently undertaking a review of its asset
 29 management practices to ensure its practices continue to be adequate, given
 30 the age of its electrical system, and remain consistent with industry best
 31 practice. This review will include an assessment of the Company’s
 32 transmission line asset management practices including its capital investment
 33 and maintenance programs. The potential implementation of a wood pole
 34 chemical re-treatment program for the Company’s transmission assets would
 35 be considered in the full context of the lifecycle management of the Company’s
 36 transmission assets. The review will also ensure any changes to the
 37 Company’s transmission line asset management practices are consistent with
 38 utility best practice.*”
 39

- 40 a) Please confirm that NP is not in favour of implementing a wood pole line
 41 management program similar to that of Hydro before completion of its
 42 asset management review.
 43 b) Are initial components of NP’s new asset management plan expected to be
 44 implemented in 2025 or later?

- 1 c) If it has not already gained the information from Hydro outlined in the June
2 28, 2023 letter, please indicate how long NP expects it will take to get the
3 information; i.e., hours, days, months, years?
4 d) Please indicate how long NP has been monitoring Hydro's wood pole line
5 management program and when NP became aware of the potential
6 benefits.
7 e) Please identify NP capital and maintenance projects/programs that might
8 be impacted by the introduction of a wood pole line management program
9 similar to Hydro's.

10
11 CA-NP-119

(Reference 2023 Capital Budget Expenditure Status Report, page i) It is stated
12 "*The Capital Budget Application Guidelines (Provisional) require variance*
13 *explanations to be provided for variances of more than 10% of approved*
14 *expenditure and \$100,000 or greater. For the 2023 Capital Budget*
15 *Expenditure Status Report, there are no projects that meet the criteria for*
16 *variance explanations.*" In the 2022 Capital Budget Expenditure Status Report
17 included with NP's 2023 Capital Budget Application, only one category had
18 a budget variance, Distribution budgeted at \$46,214,000 compared to the
19 forecast of \$48,130,000, resulting in an overage of \$1,916,000. This variance
20 is about 4% for the distribution cost category, and about 1.8% of the total
21 approved budget (see table on page 1 of 13). On the other hand, actual
22 variances are provided in the 2022 Capital Expenditure Report (page 1 of 14)
23 which shows that 7 of the 11 project categories were over-budget by a total
24 amount of \$10,782,000. This represents about 10% of the approved 2022
25 capital budget amount. In 6 of the 7 categories that came in over budget,
26 variances were greater than \$100,000, and in 3 of the 7 categories that came
27 in over budget, the variance exceeded 10% of the budgeted amount.

- 28 a) Please confirm, or correct, these figures.
29 b) Please confirm that 10 capital projects in 2022 exceeded budget by more
30 than 10% and \$100,000.
31 c) Can the Board and the parties expect similar cost overruns when the 2023
32 actual project cost figures come in? If not, why not?
33 d) What has NP changed in the 2024 Capital Budget Application to improve
34 its budget estimating performance?
35 e) In light of its poor budget estimating performance in 2022, will NP be
36 refiling its 2024 Capital Budget Application to reflect lessons learned?
37 f) Does this poor budget estimating performance suggest that the Capital
38 Budget Expenditure reports included in the Capital Budget Applications
39 provide little or no value, and are a waste of time and resources?
40 g) Please provide a table illustrating all Capital Budget overruns for the
41 previous ten years showing the total amount in dollars.
42 h) Are the total amounts of budget overruns referred to in g) above now in
43 rate base?

- 1 CA-NP-120 (Reference 2024 Capital Budget Application, Schedule B, page ii) It is stated
 2 “*While Newfoundland Power does not use estimate classifications, as*
 3 *referenced in the Provisional Guidelines, budget estimates for projects and*
 4 *programs are expected to be accurate within a range of plus or minus 10%.*”
 5 a) Does the large number of variances from budget in 2022 suggest that NP
 6 should adopt estimate classifications “as referenced in the Provisional
 7 Guidelines”, or some other budget estimating technique?
 8 b) Does NP plan to implement the estimate classifications identified in the
 9 Provisional Guidelines, and if so, when?
 10
- 11 CA-NP-121 (Reference 2022 Capital Expenditure Report, Appendix A, Substations
 12 Refurbishment and Modernization, page 1 of 8) It is stated that the project was
 13 “*\$2,086,000, or 30%, higher than the budget estimate. This increase was due*
 14 *primarily to higher material costs and contractor labour costs compared to*
 15 *budget estimates.*”
 16 a) What portion of the overage was due to material and labour costs, and why
 17 did NP not foresee higher labour and material costs?
 18 b) Does a 30% overage show that NP needs to change its estimating process
 19 to a methodology consistent with that documented in the Provisional
 20 Capital Budget Guidelines, or some other cost estimating technique?
 21 c) Have the higher than expected labour and material costs impacted the cost
 22 estimates provided in the 2024 Capital Budget Application?
 23
- 24 CA-NP-122 (Reference 2022 Capital Expenditure Report, Appendix A, Substations
 25 Refurbishment and Modernization, page 1 of 8) With respect to the 30% cost
 26 overrun, it is stated “*unexpected site-related issues at the Glovertown and*
 27 *Humber Substations led to construction delays and additional costs for*
 28 *unplanned work.*”
 29 a) How much money was included in the budget for such “unexpected site-
 30 related issues”?
 31 b) Why were such site-related issues not understood? When did NP take
 32 ownership of these substations? Did NP staff visit the substation sites
 33 before preparing the budget estimate?
 34 c) What amount of money was included in the budget to cover contingencies?
 35 d) Please provide a detailed comparison of budget estimates and actual costs.
 36
- 37 CA-NP-123 (Reference 2022 Capital Expenditure Report, Appendix A, Replacements Due
 38 to In-Service Failures, page 1 of 8) With respect to the 24% cost overrun, it is
 39 stated “*The increase was largely due to repairs required for the DUN-T1*
 40 *power transformer and costs associated with corporate spares that were*
 41 *higher than the historical average.*”
 42 a) How were these budget estimates derived, how did these increases become
 43 known, and at what point during the budgetary process did they become
 44 known?

- 1 b) Specifically, what repairs and costs were required for the DUN-T1
 2 transformer?
 3 c) Please explain why costs for corporate spares were higher than the
 4 historical average.
 5 d) Please provide a full accounting of work and costs for this program in 2022
 6 compared to budget estimates.
 7

8 CA-NP-124

(Reference 2022 Capital Expenditure Report, Appendix A, Transmission Line Rebuild (124L), page 2 of 8) NP indicates that the budgeted Transmission Line Rebuild (124L) was 43% higher than the budget estimate. The budget set out in the NP 2022 CBA was \$6,021,000. The Actual Cost turned out to be \$8,626,000. With respect to the 43% cost overrun, it is stated *“Materials and construction labour costs were higher than anticipated for the rebuild of Transmission Line 124L as a result of increased site work requirements. This was primarily the result of the requirement to install a larger number of bog structures and dead-end structures than anticipated due to terrain conditions and unanticipated environmental conditions. There were also construction delays and additional contractor labour costs due to additional environmental permitting and approval requirements.”*

- 20 a) As this project was a rebuild, would its planning process have included
 21 inspections or engineering reviews?
 22 b) What portion of the overage was due to material and labour costs and why
 23 did NP do such a poor job of estimating these costs?
 24 c) How much money was included in the budget for such “bog structures and
 25 dead-end structures”?
 26 d) What amount of money was included in the budget to cover contingencies?
 27 e) Why were terrain and environmental conditions not anticipated?
 28 f) What additional environmental permitting and approval requirements were
 29 needed and why were they not anticipated?
 30 g) As Transmission Line Rebuild (124L) was a “planned project” did NP
 31 obtain any environmental, geophysical or similar studies to determine the
 32 terrain over which it was planning to rebuild line 124L?
 33 h) Were any field studies of the terrain over which line 124L was built
 34 undertaken by NP, or was the planning process for Line 124L done by
 35 desktop only?
 36 i) When was the Transmission Line Rebuild Program initiated? Has
 37 Newfoundland Power experienced cost overruns of this magnitude in the
 38 past?
 39 j) As the planning process for Transmission Line Rebuild 124L appears to
 40 have been deficient, would NP agree that ratepayers should not be
 41 responsible for this deficiency?
 42 k) Does a 43% overage show that NP needs to change its estimating process
 43 to a methodology consistent with that documented in the Provisional
 44 Capital Budget Guidelines, or some other estimating methodology?

- 1 l) Please advise when the project was proposed and undertaken, and any
 2 further updates on this project.
 3 m) Please provide a detailed cost comparison of budget and actual costs
 4 expended on this project. Please include details of every construction delay
 5 and each and every additional contractor labour cost.
 6

7 CA-NP-125

(Reference 2022 Capital Expenditure Report, Appendix A, Transmission Line Extension – 35L (2021 Project), page 2 of 8) With respect to the 65% cost overrun, it is stated “*The budget estimate for the Transmission Line Extension – 35L project was based on engineering cost estimates. Original cost estimates were based on building six kilometres of transmission line and construction using wood poles. Due to land and right-of-way issues, the new line extension was ultimately routed closer to Winsor Lake, a public water supply. This change in location resulted in a requirement to construct eight kilometres of transmission line using steel poles rather than treated wood poles, which increased the cost of materials and contract labour for the project.*”

- 17 a) What portion of the overage was due to material and labour costs?
 18 b) Please elaborate further on the land and right-of-way issues. Why were
 19 these issues not anticipated?
 20 c) Who provided the engineering cost estimate? Did the person who prepared
 21 the engineering cost estimate visit the project site, or rely only on a desk
 22 study?
 23 d) Please provide a detailed comparison of the budget estimate to actual costs
 24 incurred for this project.
 25 e) Did NP undertake any environmental or regulatory and/or field studies or
 26 likewise to mitigate unanticipated terrain/environmental issues?
 27 f) Was this alternative considered in the economic evaluation included in the
 28 Capital Budget Application? Would NP have proceeded with this
 29 alternative had it known the true cost of the alternative?
 30 g) What amount of money was included in the budget to cover contingencies?
 31 h) Does a 65% cost overrun show that NP needs to change its estimating
 32 technique? Does it show that NP can no longer rely on its methodology for
 33 developing engineering cost estimates?
 34

35 CA-NP-126

(Reference 2022 Capital Expenditure Report, Appendix A, Distribution Extensions, page 3 of 8) With respect to the 21% cost overrun, it is stated “*The Extensions program budget is determined based on the forecast number of new customer connections and the average historical cost of constructing extensions*” and “*The Extensions program includes the cost of extending existing lines to connect new customers. The amount spent varies based on the number of new customers connected and the amount of new line that must be built to connect those customers. The Company had forecast 2,038 new customer connections for 2022. The actual number of connections was 2,646, or 30% above plan, resulting in increased expenditures.*”

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- a) Please confirm that based on the budget of \$10,333,000 and the forecast of 2,038 new customer connections in 2022 the implied average cost per new customer connection would be \$5,070.
- b) Please confirm that based on the actual expenditure of \$12,489,000 and the actual number of 2,646 new customers in 2022 that the average new cost per customer connection was \$4,720.
- c) Why did the use of historical average costs lead to a higher average budget cost per customer (\$5,070) than the actual average cost per customer (\$4,720) in 2022?
- d) Please provide a detailed comparison of budget and actual costs for this project.
- e) Please provide details as to how Newfoundland Power calculated 2,038 new customer connections for 2022 and why the variation was 30% above?

CA-NP-127

(Reference 2022 Capital Expenditure Report, Appendix A, Distribution Services, page 3 of 8) With respect to the 22% cost overrun, it is stated “*The Services program budget estimate is determined based on the forecast number of new customer connections, the average historical cost of connecting a new customer, and the average cost of replacing existing services over the last five years. The budget was based on 2,038 new customer connections for 2022. Actual customer connections were 2,646, or 30% above plan. The higher number of new customer connections resulted in increased expenditures.*”

- a) Please confirm that based on the budget of \$3,038,000 and the forecast of 2,038 new customer connections in 2022 the implied average cost per new customer connection would be \$1,491.
- b) Please confirm that based on the actual expenditure of \$3,697,000 and the actual number of 2,646 new customers in 2022, the average cost per new customer connection was \$1,397.
- c) Why did the use of historical average costs lead to a higher average budget cost per new customer (\$1,491) than the actual average cost per new customer (\$1,397) in 2022?

CA-NP-128

(Reference 2022 Capital Expenditure Report, Appendix A, Street Lighting, page 4 of 8) With respect to the 25% cost overrun, it is stated “*Capital expenditures for overhead and underground wiring replacements were \$712,000 higher than anticipated as a result of higher dedicated street light pole replacements in comparison to the historical average. Capital expenditures for new street lights were in line with the historical average.*”

- a) Please provide a detailed comparison of budgeted and actual overhead and underground wiring replacements resulting in \$712,000 higher than anticipated?
- b) Does this cost overrun imply that using historical costs is not a particularly good methodology for estimating future costs?
- c) Has this impacted costs included in the 2024 Capital Budget Application?

1 CA-NP-129

(Reference 2022 Capital Expenditure Report, Appendix A, Transformers, page 4 of 8) It is stated *“For 2022, the actual expenditure required for transformer purchases was \$1,349,000, or 23%, higher than the budget estimate. This increase is largely due to supply chain issues resulting in material cost increases and the requirement to ensure an adequate supply of inventory. In addition, actual customer connections were 30% higher than plan, which resulted in increased transformer requirements.”*

- 2 a) Was NP not aware of supply chain issues when it prepared the budget estimate for this project?
- 3 b) Please explain how these supply issues have been addressed or if current
- 4 budget proposals will result in similar increases.
- 5 c) Please provide details as to the source of the supply chain issues and how
- 6 that has been remedied.
- 7 d) Please elaborate on the “requirement to ensure an adequate supply of
- 8 inventory”.
- 9 e) How much of the overage was due to supply chain issues and how much
- 10 was due to underestimating the number of new customer connections?
- 11 Please provide a breakdown of the costs incurred for the project compared
- 12 to actuals.
- 13 f) Does a 23% cost overrun indicate that NP needs to change its estimating
- 14 process?
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23 CA-NP-130

(Reference 2022 Capital Expenditure Report, Appendix A, Purchase Vehicles and Aerial Devices, page 5 of 8) With respect to the 13% overage, it is stated *“This is attributed primarily to vendor pricing increases resulting from supply chain disruptions affecting the price of raw materials and parts and a manufacturer labour shortage.”*

- 24 a) Was NP not aware of supply chain issues and vendor pricing increases
- 25 when it prepared the budget estimate for this project?
- 26 b) How has this impacted costs included in the 2024 Capital Budget
- 27 Application?
- 28 c) Please provide details as to the exact reasons for the 13% cost overrun and
- 29 where in the supply chain these costs came into effect and how these costs
- 30 have been remedied.
- 31 d) Please provide particulars as to how many heavy fleet vehicles ordered
- 32 under the *Purchase Vehicles and Aerial Devices* project from 2021 have
- 33 not been received and the reasons for this failure. Please provide details as
- 34 to how this has been remedied in the current budget.
- 35 e) How many budgeted vehicles approved in 2020, 2021, and 2022 have not
- 36 been supplied and are not available? Provide details of any ensuing costs
- 37 resulting from this lack of deliveries.
- 38 f) Why does NP continue to purchase vehicles given supply chain issues and
- 39 resulting escalating costs? Are these expenditures prudent?
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- 1 CA-NP-131 (Reference 2022 Capital Expenditure Report, Appendix A, General Expenses
2 Capitalized, page 7 of 8) It is stated “*In 2022, actual capital expenditures for
3 General Expenses Capitalized were \$659,000, or 10%, higher than the budget
4 estimate resulting primarily from inflationary increases and additional labour
5 costs for capital planning.*”
6 a) Was NP not aware of inflationary increases and labour costs for capital
7 planning when it prepared the budget estimate?
8 b) What inflation rate did NP assume in the budget estimate and how does it
9 compare to actual inflation?
10 c) What labour costs for capital planning did NP assume in the budget
11 estimate and how does it compare to the actual cost incurred? Please
12 provide a breakdown of the budget for this project compared to actual costs
13 incurred.
14
- 15 CA-NP-132 (Reference Application) It is understood that NP is currently in collective
16 bargaining talks with employees. If so, how will this impact internal labour
17 costs included in the Application?
18
- 19 CA-NP-133 Please provide a trajectory for Capital Budgets over the next ten years.
20
- 21 CA-NP-134 Midgard Consulting Inc. (“Midgard”), in its October 29, 2020, Consulting
22 Report to the PUB informed that Midgard was of the opinion that existing
23 legislation enables the PUB to approval Capital Budget envelopes that
24 represent all or some portion of the total proposed utility budget.
25 a) Does Newfoundland Power support the utilization of capital budget
26 envelopes as referenced by Midgard?
27 b) Are any of the other Fortis companies in Canada subject to the imposition
28 of a Capital Budget Envelope by its regulatory body and, if so, which ones?
29 c) What other utilities in Canada are subject to regulatory imposed Capital
30 Budget Envelopes?
31
- 32 CA-NP-135 Midgard, at page 85, recommended “*that Capital Leases be evaluated not on
33 an annual payment basis but rather on the full lifecycle of the lease (i.e., over
34 a term that is comparable to the term that the asset was purchased or
35 constructed). This approach was recommended because it more accurately
36 reflects the total lease commitment cost on a comparable basis to purchasing
37 or constructing an asset. Simply put, it is not the annual payment that matters,
38 but rather the total financial commitment that is being made to acquire the
39 asset rights over the leased term (i.e., on a similar basis as purchasing an
40 asset with an expected lifetime). As a result, the recommended thresholds
41 enable a reasonable balance of discreet projects/programs within each
42 segmented materiality bin and the treatment of capital leases has changed to
43 make it similar to the commitment required to purchase or construction [sic]
44 an asset.*”

- 1 a) Please advise what leases Newfoundland Power is proposing in this Capital
2 Budget.
3 b) Please advise as to research undertaken by Newfoundland Power to
4 compare the cost of leasing versus proposed Capital Budget expenditures.
5

6 CA-NP-136 What range of alternatives for all capital projects proposed has Newfoundland
7 Power filed with this Application? List the range of alternatives for each and
8 every capital project proposed.
9

10 CA-NP-137 Midgard, at page 95, recommended “*that the Technical Conference always be*
11 *transcribed, because transcription is needed to develop expanded and new*
12 *evidence that is otherwise missing from the Capital Budget Application.*
13 *Moreover, transcription is recommended so that a consistent pattern of*
14 *evidence presentation and subsequent clarification be applied through the*
15 *Capital Budget Application process.*” Does Newfoundland Power agree that
16 technical conferences in this jurisdiction should be transcribed?
17

18 CA-NP-138 In reference to Capital Budget expenditures, please inform:
19 a) What variances Newfoundland Power anticipates from the proposed
20 capital expenditures to actual capital expenditures in this budget?
21 b) Please provide a list of variances between proposed capital expenditures in
22 approved budgets over the last five years and the actual expenditures and
23 the reason for the variance.
24 c) Please provide evidence that projects with variances continued to be the
25 least cost option.
26 d) In reference to “unforeseen amounts” please provide a cross-Canada
27 canvas of jurisdictions where “unforeseen amounts” are in capital budgets
28 and the amount of same in each jurisdiction.
29

30 CA-NP-139 In the Capital Budget proposals, what independent verification is there to
31 support the proposal?
32

33 CA-NP-140 What environmental benefits could result from these proposed capital budget
34 expenditures?
35

36 CA-NP-141 In Board Order P.U. 36(2021) the Board quotes Newfoundland Power as
37 follows:
38

39 “*Newfoundland Power also reiterated that it does not expect the execution of*
40 *its 2022 Capital Budget to be impacted by the Covid-19 pandemic.*”
41

- 42 a) How did the Covid pandemic impact the execution of Newfoundland
43 Power’s 2022 Capital Budget and subsequent budgets?

- 1 b) Please provide details of any supply chain problems Newfoundland Power
 2 had and continues to have since the Covid pandemic.
 3 c) Please list each and every budgetary item beginning in 2022 which has
 4 been put on hold, postponed, or delayed as a result of the impact of supply
 5 chain and labour issues resulting from the Covid pandemic, and the
 6 approved original budget for the item, and any changes in the budget which
 7 resulted.
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9 CA-NP-142

In Board Order P.U. 36(2021) the Board quoted Newfoundland Power stating that: *“The proposed expenditures for 2022 are higher than historical expenditures due to the once in a generation project to replace a customer service system. Excluding this project, 2022 capital expenditures would total \$94 million, consistent with capital expenditures in 2017 when adjusted for inflation.”*

- 15 a) Have capital expenditures proposed in the 2024 CBA returned to 2017
 16 levels, when adjusted for inflation, and, if not, why not?
 17 b) What has been the total cost to date of the above-referenced customer
 18 service system? Please provide particulars as to the proposed and the actual
 19 cost to date.
 20 c) Please quantify as to what savings will result for ratepayers following the
 21 implementation of this customer service system.
 22

23 CA-NP-143

(Reference Application, Transmission Line Rebuilds)

- 24 a) What percentage of Newfoundland Power’s transmission line re-build
 25 strategy has now been completed?
 26 b) When will ratepayers expect the annual cost of transmission line rebuilds
 27 to decrease in the result?
 28 c) What savings are to be found for ratepayers in this transmission line rebuild
 29 strategy and quantify the same?
 30

31 CA-NP-144

(Reference Application)

- 32 a) Please provide a table of NP’s actual distribution expenditures from 2002
 33 to the present.
 34 b) Please provide a table showing growth in actual new customers connected
 35 to the system for this same period.
 36

37 CA-NP-145

(Reference Application) In reference to the allowance for “unforeseen items”, please provide a history on a table of each allowance from 2000 to the present, and where and when the allowance was called upon, and for what reasons, and what was left in the allowance for unforeseen items at the end of each particular year.
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43 CA-NP-146

(Reference Application) Please provide a table of system upgrades for the period 2000 to the present and the percent of increase/decrease year over year
 44

as the case may be. Please inform as to the rate of inflation year over year in the table.

CA-NP-147

(Reference Application) In reference to NP’s Workforce Management System Replacement approved by the Board in Order No. P.U. 36 (2021):

- a) Please inform what the total cost of the replacement system was and compare the proposed cost to the actual expenditure.
- b) Please inform as to the efficiencies and quantify the cost savings which resulted from the Workplace Management System Replacement and how these savings, if any, were passed on to ratepayers.
- c) What alternatives were considered in this Workforce Management System Replacement, and were leasing alternatives considered and quantified? And if not, why not?

DATED at St. John’s, Newfoundland and Labrador, this 9th day of August, 2023.

Per:



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Consumer Advocate

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