

# Office of the Consumer Advocate

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September 26, 2023

## Via Email

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

**Attention: Jo Galarneau**  
**Executive Director and Board Secretary**

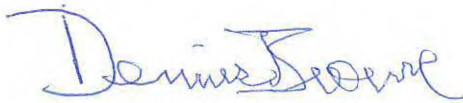
Dear Ms. Galarneau:

**Re: Newfoundland Power Inc. - 2024 Capital Budget Application**  
**- Requests for Information CA-NP-148 to CA-NP-207**

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NP-148 to CA-NP-207.

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

Yours truly,



**Dennis Browne, KC**  
**Consumer Advocate**

Encl.  
/bb

cc Newfoundland Power Inc.  
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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.

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**CONSUMER ADVOCATE  
REQUESTS FOR INFORMATION  
CA-NP-148 to CA-NP-207**

**Issued: September 26, 2023**

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- 1 CA-NP-148 (Reference CA-NP-014) The 2024 Capital Budget Overview (page 2) states  
 2 “*The Electrical Power Control Act, 1994 contains the provincial power policy,*  
 3 *which requires that power be delivered to customers at the lowest possible*  
 4 *cost, in an environmentally responsible manner, consistent with reliable*  
 5 *service.*”
- 6 a) Is spending approximately \$6 million on the MUN Substation and  
 7 collecting this cost from customers who do not benefit from the  
 8 expenditure necessary to meet this obligation?
- 9 b) How does NP define fairness, and how does spending approximately \$6  
 10 million on the MUN Substation and collecting this cost from customers  
 11 who do not benefit from the expenditure meet the fairness objective?
- 12 c) How does NP define “prudently incurred cost”?
- 13 d) Does spending approximately \$6 million on the MUN Substation, and  
 14 collecting this cost from customers who do not benefit from the  
 15 expenditure qualify as a prudently-incurred cost?  
 16
- 17 CA-NP-149 (Reference CA-NP-014) The 2024 Capital Budget Overview (page 2) states  
 18 “*The Electrical Power Control Act, 1994 contains the provincial power policy,*  
 19 *which requires that power be delivered to customers at the lowest possible*  
 20 *cost, in an environmentally responsible manner, consistent with reliable*  
 21 *service.*” Please provide a list of projects that are included for approval in the  
 22 2024 CBA, but whose costs will not be recovered from customers, and provide  
 23 the reasons why.  
 24
- 25 CA-NP-150 (Reference CA-NP-032) It is stated “*The supply point of any Newfoundland*  
 26 *Power customer is considered the point at which the customer is metered.*  
 27 *While multiple customers may receive service from the same substation,*  
 28 *transmission line, distribution feeder, or other infrastructure, Newfoundland*  
 29 *Power customers do not share a supply point.*”
- 30 a) Is it accurate to say that NP defines a supply point as the metering point,  
 31 or the customer connection point, which is ideally located in the electrical  
 32 circuit where ownership of the equipment relating to the supply of  
 33 electricity changes from NP to the customer, referred to as the NP-  
 34 customer boundary?
- 35 b) Where are NP metering points typically located?
- 36 c) In some cases, is the metering point not located at the NP-customer  
 37 boundary? In such cases, does the metering/billing system utilize loss  
 38 correction factors to compensate for the alternate location and enable  
 39 appropriate customer billing?
- 40 d) Is it a legal requirement in the province that every customer have its own  
 41 meter?

- 1 CA-NP-151 (Reference CA-NP-032) It is stated “*The supply point of any Newfoundland*  
 2 *Power customer is considered the point at which the customer is metered.*  
 3 *While multiple customers may receive service from the same substation,*  
 4 *transmission line, distribution feeder, or other infrastructure, Newfoundland*  
 5 *Power customers do not share a supply point.*”
- 6 a) Does a customer connection include the facilities and equipment that  
 7 connect the customer to the transmission or distribution system, and might  
 8 comprise: 1) transmission or distribution lines terminating at a substation  
 9 via line termination equipment, 2) buses, switchgear, breakers, and  
 10 equipment on the high-voltage side of transformers, 3) transformers, and  
 11 4) switchgear, breakers, and equipment on the low-voltage side of the  
 12 transformers?
- 13 b) Is equipment that is on the customer side of the supply point owned,  
 14 operated and maintained by, and at the expense of, the customer, and  
 15 equipment that is not on the customer side of the supply point owned,  
 16 operated and maintained by, and at the expense of, NP, who in turn collects  
 17 the costs of such equipment from its customers?  
 18
- 19 CA-NP-152 (Reference CA-NP-032) It is stated “*The supply point of any Newfoundland*  
 20 *Power customer is considered the point at which the customer is metered.*  
 21 *While multiple customers may receive service from the same substation,*  
 22 *transmission line, distribution feeder, or other infrastructure, Newfoundland*  
 23 *Power customers do not share a supply point.*”
- 24 a) What facilities and costs are associated with a customer supply point?  
 25 b) Are costs of a General Service customer supply point the same as costs of  
 26 a residential customer supply point?  
 27 c) Is the cost of a meter for a household customer the same as the cost of a  
 28 meter for a General Service Rate #2.4 customer?  
 29 d) In the cost of service study does NP include a single unit supply point cost  
 30 and allocate the cost to customer classes according to the number of  
 31 customers in the class, or does it include different unit supply point costs  
 32 for each customer class?  
 33 e) In Order No. P.U. 14(2023) (page 4), the Board states “*General Service*  
 34 *customers are supplied through a single supply point which is included in*  
 35 *Newfoundland Power’s cost of service and funded by all ratepayers.*”  
 36 Specifically, what costs associated with General Service customer supply  
 37 points are funded by all ratepayers rather than only General Service  
 38 customers?  
 39 f) In rates, are supply point costs generally included in customer charges? Do  
 40 customer charges vary by customer class?  
 41
- 42 CA-NP-153 (Reference CA-NP-032) It is stated “*The supply point of any Newfoundland*  
 43 *Power customer is considered the point at which the customer is metered.*  
 44 *While multiple customers may receive service from the same substation,*

*transmission line, distribution feeder, or other infrastructure, Newfoundland Power customers do not share a supply point.”*

- a) Does NP classify each transmission facility as either a customer connection facility, defined as the facilities that are generally radial in nature and benefit only one or a few customers, or a network facility, defined as the facilities that generally enable looped flows and benefit multiple customers?
- b) Does NP believe that the costs of customer connection facilities defined as radial facilities that benefit only one or a few customers should be collected from only those customers that benefit from the connection facilities, or does NP believe that such costs should be socialized across all customers? In practice, how does NP recover such costs from its customers? How does NL Hydro collect such costs from NP and its other customers?
- c) Does NP believe that Island Industrial Customers should be responsible for the costs of their specifically-assigned connection facilities, or does NP believe that the costs for these facilities should be collected from all NL Hydro customers, including NP?
- d) How does NL Hydro collect the costs of specifically-assigned facilities from its customers; e.g., through a contribution in aid of construction?
- e) In NP’s opinion, should the costs of network facilities, defined as facilities that enable looped flows and benefit multiple customers, be socialized across all customers because many customers benefit from the facilities? In practice, how does NP recover such costs from its customers?
- f) Does NP believe that the connection facilities for Memorial University at the MUN Substation defined as switchgear on the high-side of MUN T-1 and MUN T-2, transformers MUN T-1 and Mun T-2, and switchgear on the low side of MUN T-1 and MUN T-2, are comparable to the connection facilities that supply the Rate #2.4 customer served from the BIG Substation which serves a total of 1,334 customers from the distribution system? Please elaborate from the perspectives of reliability, cost and fairness. In addition, please explain what NP does in practice and why.
- g) Does it generally cost the same to supply Memorial University load served from the MUN Substation as it does to serve the General Service Rate #2.4 customer served from the BIG Substation? How do costs differ?
- h) Does NP include outages on the 66 kV transmission system in its SAIDI and SAIFI statistics?

CA-NP-154

(Reference CA-NP-032) NP proposes a capital spend of about \$6 million at the MUN Substation over the next two years (\$1.6 million for the MUN T-2 replacement project and about \$4.4 million for the MUN Substation Refurbishment and Modernization project). This equates to an expenditure of about \$6,000,000 per customer. If NP were to spend a similar amount on the BIG Substation, the expenditure would equate to about \$450 per customer (\$6 million divided by 1334 customers).

- 1 a) How much of the \$6 million spent at the MUN Substation would be  
 2 allocated to Memorial University?  
 3 b) How much of the \$6 million spent at the MUN Substation would be  
 4 allocated to the Rate #2.4 customer class?  
 5 c) How much of the \$6 million spent at the MUN Substation would be  
 6 allocated to customer classes other than the Rate #2.4 customer class?  
 7

8 CA-NP-155

(Reference CA-NP-030, Attachment A and CA-NP-049)

- 9 a) Please confirm that of the 61 Rate #2.4 customers, two have dedicated  
 10 substations owned by NP.  
 11 b) Please confirm that of the 61 Rate #2.4 customers, three are served from  
 12 the 66 kV transmission system.  
 13 c) Please confirm that LCV and LPD are the only substations owned by a  
 14 Rate #2.4 customer. Are these the only substations owned by any NP  
 15 customer?  
 16 d) Why is the LCV Substation included in the table in Attachment A but not  
 17 the LPD Substation?  
 18 e) Why are there only 51 substations serving 61 Rate #2.4 customers?  
 19

20 CA-NP-156

(Reference CA-NP-030, Attachment A and CA-NP-049)

- 21 a) Why is the LCV Substation customer-owned? Is the Rate #2.4 customer  
 22 that owns LCV substation also served from another substation? Are the  
 23 costs of the LCV substation included in rate base and how are the costs  
 24 allocated to customers?  
 25 b) Does the Rate #2.4 customer that owns the LCV Substation also own  
 26 transmission line 410L? Are the costs of transmission line 410L included  
 27 in rate base and how are the costs allocated to customers?  
 28 c) Is the RFD Substation customer-owned? Why or why not? Is the Rate #2.4  
 29 customer served by the RFD Substation also served from another  
 30 substation? Are the costs of the RFD substation included in rate base and  
 31 how are the costs allocated to customers?  
 32 d) Does the Rate #2.4 customer served from the RFD Substation own  
 33 transmission line 104L? Are the costs of transmission line 104L included  
 34 in rate base and how are the costs allocated to customers?  
 35 e) Is the LPD Substation owned by Memorial University? Why or why not?  
 36 Are the costs of the LPD Substation included in rate base and how are the  
 37 costs allocated to customers?  
 38 f) Is line 36L that terminates at the LPD Substation owned by Memorial  
 39 University? Why or why not? Are the costs of line 36L included in rate  
 40 base and how are the costs allocated to customers?  
 41 g) For the LCV, RFD, LPD and MUN Substations, please provide a table  
 42 showing all capital and operating and maintenance costs expended by NP  
 43 over the past 20 years and indicate how much of each expenditure was paid  
 44 for by the Rate #2.4 customer served from the relevant substation.

- 1 CA-NP-157 (Reference CA-NP-030, Attachment A and CA-NP-049)
- 2 a) Footnote 3 states “*Memorial University receives service from 66 kV to 12.5*
- 3 *kV power transformers located at MUN Substation. In addition to serving*
- 4 *Memorial University, MUN Substation forms part of the integrated 66 kV*
- 5 *transmission system serving St. John's Region.” Do the MUN T-1 and*
- 6 *MUN T-2 power transformers also form part of the integrated 66 kV*
- 7 *transmission system serving St. John’s region?*
- 8 b) Do LPD, RFD and LCV Substations and transmission lines 36L, 104L and
- 9 410L form part of the integrated transmission system?
- 10 c) Where is the metering point located for the three Rate #2.4 customers
- 11 served from the 66 kV transmission system?
- 12 d) Where is the metering point typically located for other Rate #2.4
- 13 customers?
- 14 e) Is the metering data for Memorial University summed for the LPD and
- 15 MUN supply points or does Memorial University receive two separate
- 16 billing invoices?
- 17
- 18 CA-NP-158 (Reference CA-NP-030) Please provide line diagrams for the MUN, LPD,
- 19 RFD and LCV Substations showing line entrances, buses, switchgear, circuit
- 20 breakers and transformers.
- 21
- 22 CA-NP-159 (Reference CA-NP-030, Attachment A) Please comment on the impact of the
- 23 following scenarios on the supply to: 1) Memorial University, and 2) NP
- 24 customers other than Memorial University.
- 25 a) Removal of transmission line 12L from service.
- 26 b) Removal of transmission line 14L from service.
- 27 c) Removal of both transmission lines 12L and 14L from service.
- 28 d) Removal of the MUN Substation from service.
- 29 e) Removal of MUN T-1 from service.
- 30 f) Removal of MUN T-2 from service.
- 31 g) Removal of both MUN T-1 and MUN T-2 from service.
- 32
- 33 CA-NP-160 (Reference CA-NP-030, Attachment A) Please comment on the impact of the
- 34 following scenarios on the supply to: 1) the Rate #2.4 customer served from
- 35 the LCV Substation, and 2) NP customers other than the Rate #2.4 customer
- 36 served from the LCV Substation.
- 37 a) Removal of transmission line 410L from service.
- 38 b) Removal of the LCV Substation from service.
- 39
- 40 CA-NP-161 (Reference CA-NP-030, Attachment A and CA-NP-049) Please comment on
- 41 the impact of the following scenarios on the supply to: 1) the Beaverbrook
- 42 Antimony Mine, and 2) NP customers other than the Beaverbrook Antimony
- 43 Mine.
- 44 a) Removal of transmission line 104L from service.

b) Removal of the RFD Substation from service.

CA-NP-162

(Reference CA-NP-030, Attachment A) Please comment on the impact of the following scenarios on the supply to: 1) Memorial University, and 2) NP customers other than Memorial University.

a) Removal of transmission line 36L from service.

b) Removal of the LPD Substation from service.

CA-NP-163

(Reference CA-NP-030, Attachment A) Please comment on the impact of the following scenarios on the supply to: 1) the Rate #2.4 customer served from the BIG Substation, 2) the other customers served from the BIG Substation, and 3) NP customers not served from the BIG Substation.

a) Removal of feeder BIG-01 from service.

b) Removal of transformer BIG-T1 from service.

CA-NP-164

(Reference CA-NP-026) Did the Board request NP to take another look at the St. John's North-Portugal Cove Substation project in light of the impact of economic conditions on load, or in light of the impact of the costs of the project on rates?

CA-NP-165

(Reference CA-NP-027) Please confirm that NP does not employ an integrated approach to distribution planning that takes into consideration environmental emissions and government zero-carbon efforts.

CA-NP-166

(Reference CA-NP-033)

a) Please confirm that the purpose of portable substations is to maintain service to customers during substation maintenance, capital projects, and equipment failures.

b) Does every deployment of a portable substation compromise the availability of portable units to maintain service to customers during substation maintenance, capital projects, and equipment failures?

c) How does NP decide when a portable substation should be deployed when its deployment will compromise NP's ability to maintain service to customers during substation maintenance, capital projects, and equipment failures?

d) Please provide a table showing every deployment of a portable substation, including the date, the reason for its deployment, the end date of the deployment and the reason the deployment ended.

CA-NP-167

(Reference CA-NP-034)

a) What was the percentage of the cost of the MUN-T2 replacement relative to the total cost of the Substation Replacements Due to In-service Failures program approved in that year?



- b) Please identify every project carried out in the past 5 years under the Substation Replacements Due to In-service Failures program where the percentage cost of the project relative to the approved budget amount exceeded the percentage derived in part (a).
- c) Please provide individual project details for the Transformer Replacements and Refurbishments category of projects for each of the past 5 years included in Table 1 of Attachment A.
- d) Please confirm or deny the following with reasons:
  - a. It was not possible to accommodate the MUN T-2 transformer replacement project under the Substation Replacements Due to In-Service Failures program.
  - b. Not one project included in the Substation Replacements Due to In-Service Failures program in the past 5 years impacted the substation equipment failures that might have required immediate attention to maintain reliable supply to customers, and please explain how NP managed to accomplish this.
  - c. Transformer replacements and refurbishments have been carried out under the Substation Replacements Due to In-service Failures program in each of the past 5 years accounting for between 24.4% and 63.7% of the total program budget.

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CA-NP-168

(Reference CA-NP-037) It is stated (part c) “*The 2022/2023 GRA Settlement Agreement disposed of all issues arising from Newfoundland Power’s 2022/2023 General Rate Application.*”

- a) Does NP interpret the Settlement Agreement to mean that all signatories agree with each and every item included in the agreement? Going forward, does NP agree with para. 8 that only 50% of expenses associated with its short-term incentive program will be recovered in customer rates and that a reduction of \$300,000 will be incorporated in operating costs to reflect operating efficiencies? Will NP make such proposals in its next GRA?
- b) Please identify para. 4 from the Settlement Agreement and provide NP’s interpretation.

CA-NP-169

(Reference CA-NP-046) It is stated with respect to net metering commercial-grade battery storage technology “*This alternative was determined to be cost prohibitive.*” Has NP determined that this alternative will be cost prohibitive throughout the remaining life of a feeder addition? Was there a time when electric vehicles were considered cost prohibitive relative to gasoline vehicles? Was there a time when rooftop solar was cost prohibitive relative to grid power in places such as Arizona?

CA-NP-170

(Reference CA-NP-046) It is stated “*the Company does not currently consider customer generation to be a factor that exposes its assets to a risk of becoming stranded.*”

- 1 a) Has NP determined that customer generation will never be a factor that  
 2 exposes its assets to a risk of becoming stranded? Has rooftop solar become  
 3 cost competitive in some areas of North America? Is there no possibility  
 4 that rooftop solar, rooftop wind, customer battery storage options,  
 5 hydrogen fuel cells, etc. could result in distribution assets becoming  
 6 stranded?  
 7 b) If electricity rates increased to 24 cents/kWh, might this accelerate  
 8 adoption of customer-owned generation?  
 9 c) If there were an electricity supply deficiency in the province, might this  
 10 accelerate adoption of customer-owned generation?  
 11

12 CA-NP-171

(Reference CA-NP-050) It is stated *“In 2023, Newfoundland Power introduced a new transmission load case that examines maximum icing conditions under a 40% maximum wind load. This additional load case is being implemented to help mitigate the impact of significant weather events caused by climate change.”*

- 18 a) Has this load case received Board approval? Is it part of NP’s asset  
 19 management program review?  
 20 b) What are the expected consequences for customers in terms of cost?  
 21

22 CA-NP-172

(Reference CA-NP-052 and CA-NP-054) It is stated *“In Newfoundland Power’s view, better reliability performance does not directly translate to higher costs.”*

- 26 a) In NP’s view, can a customer’s reliability be improved without spending  
 27 money?  
 28 b) Please identify all programs that NP currently has underway that result in  
 29 better reliability without incurring costs.  
 30 c) Please identify the capital programs and costs that NP could delete from  
 31 the 2024 CBA without impairing reliability performance.  
 32 d) Please explain why NP’s actual expenditures per customer have increased  
 33 from \$282/customer in 2003 to \$447/customer in 2023 (CA-NP-004), a  
 34 59% increase over a period of 20 years, if NP could have provided better  
 35 reliability performance without higher cost.  
 36 e) Could NP have reduced its contribution to customer rates by more than  
 37 10% on an inflation-adjusted basis over a 10-year period had it developed  
 38 programs that resulted in better reliability performance and did not  
 39 translate to higher costs?  
 40 f) Please identify all programs/projects included in the 2024 CBA that were  
 41 not in part justified on the basis of reliability improvements.  
 42 g) It is stated *“In 2022, approximately 226,000 customer accounts were not*  
 43 *affected by unplanned distribution-related outages.”* What percentage of  
 44 customer accounts did not experience a distribution-related outage in

1 2022? What percentage of customers did not experience a distribution-  
 2 related outage in 2022? How do these figures compare to the previous 5  
 3 years?  
 4

5 CA-NP-173 (Reference CA-NP-059) Please confirm that in 2012 and 2021 NP spent 10%  
 6 and 13%, respectively more capital per customer than the Atlantic Canadian  
 7 utilities. Is this 10% to 13% premium that NP has been spending annually on  
 8 capital per customer relative to the Atlantic Canadian provinces typical for  
 9 each year of the 2012 to 2021 period?  
 10

11 CA-NP-174 (Reference CA-NP-066) It is stated “*Newfoundland Power does not track*  
 12 *customer contacts according to the overall level of reliability they experience,*  
 13 *nor does the Company survey its customers on the value that customers place*  
 14 *on current levels of reliability.*”

- 15 a) Given the importance that customers place on reliability and the legislative  
 16 requirement that NP provide reliable service at lowest possible cost, why  
 17 does NP not attempt to obtain this information?  
 18 b) Are customer contacts tracked by NP, and if so, what would be involved  
 19 in identifying the reason for the contact?  
 20 c) Has NP ever in the past included questions in its customer surveys asking  
 21 customers about the value they place on service reliability?  
 22 d) What would be involved in collecting such information in the future?  
 23 e) What are the primary considerations associated with improving/reducing  
 24 the average duration of interruptions on the distribution network?  
 25

26 CA-NP-175 (Reference CA-NP-071) It is stated “*Ontario, British Columbia, Quebec and*  
 27 *the Yukon have active NWA initiatives, however the majority of projects are*  
 28 *in the pilot phase.*” Should NL likewise be conducting a pilot on NWA  
 29 initiatives to inform NP on future distribution planning activities, or does NP  
 30 believe that NWA is lagging in NL so there is no need to conduct a pilot at  
 31 this time?  
 32

33 CA-NP-176 (Reference CA-NP-073) Is customer-owned battery storage expected to  
 34 increase with the increasing number of electric vehicles in the province? Is  
 35 customer-owned battery storage availability expected to increase as EV  
 36 charging times are reduced?  
 37

38 CA-NP-177 (Reference CA-NP-079) Please provide a breakdown of the 69% reliability  
 39 improvement showing SAIDI and SAIFI data pre- and post-project for each  
 40 feeder included in the Distribution Reliability Initiative during this time frame.  
 41 Further, please provide a dollar measure relating to the improvement; e.g., the  
 42 reduction in the frequency of customer interruptions per dollar spent.

- 1 CA-NP-178 (Reference CA-NP-085) It is stated “*The Adjusted Costs for the Replacement*  
 2 *Transformers program were relatively consistent from 2019 to 2022 primarily*  
 3 *as a result of a consistent number of transformer replacements.*” Table 1  
 4 shows that replacements varied from a high of 705 to a low of 461,  
 5 representing a variation of 53%. Please explain.  
 6
- 7 CA-NP-179 (Reference CA-NP-090) It is stated “*Contingency amounts are project*  
 8 *specific, and therefore depend on engineering assessments and the complexity*  
 9 *of the project.*”  
 10 a) What is the range of contingencies included in the 2024 CBA?  
 11 b) What are the specific contingency amounts included in each of the projects  
 12 included in the CBA?  
 13 c) How can the Board be sure that alternatives are being given proper  
 14 weighting when contingency amounts vary from one alternative to the next  
 15 and the contingency amounts are not specifically identified?  
 16
- 17 CA-NP-180 (Reference CA-NP-091) The response indicates that Gambo Substation serves  
 18 4870 customers. What change in the number of customers served would result  
 19 in a change in the consequence value from 4, or “serious”? How likely is a  
 20 change of this magnitude likely to occur in the next 10 years?  
 21
- 22 CA-NP-181 (Reference CA-NP-093) How much of the cost of the Memorial Substation  
 23 Refurbishment and Modernization project would be charged to NP customers  
 24 if the Board were to determine that NP customers are responsible only for  
 25 facilities at the substation up to the line termination facilities; i.e., Memorial  
 26 University would be responsible for all elements of the project from the high  
 27 side of the transformers including switchgear, the transformers, and all 12.5  
 28 kV equipment beyond the low-voltage side of the transformers? Please  
 29 identify the specific elements of the project, if any, that would be charged to  
 30 NP customers other than Memorial University under this scenario.  
 31
- 32 CA-NP-182 (Reference CA-NP-099) Please confirm that none of the outages shown in  
 33 Table 1 resulted in customer service interruptions.  
 34
- 35 CA-NP-183 (Reference CA-NP-103) It is stated “*While the design of Transmission Line*  
 36 *146L is sub-standard, it does not necessarily mean that the line is currently*  
 37 *unsafe to operate.*” Does it mean that it is more likely to fail going forward  
 38 than in the past? Please explain.  
 39
- 40 CA-NP-184 (Reference CA-NP-117) It is stated “*Newfoundland Power does not currently*  
 41 *have a program in place that attempts to extend the life of an individual wood*  
 42 *pole.*” Does this suggest that currently, rather than implement a program to  
 43 extend the life of wood poles, NP policy is to simply replace poles based on  
 44 the results of inspections?

- 1 CA-NP-185 (Reference CA-NP-117, Table 1) Please provide a comparison of the Wood  
2 Pole Management Program shown in Table 1 to NP's current practice.  
3
- 4 CA-NP-186 (Reference CA-NP-117) What is the average unit cost to dispose of a wood  
5 pole?  
6
- 7 CA-NP-187 (Reference CA-NP-118) It is stated "*Newfoundland Power is currently  
8 undertaking a review of its asset management practices to ensure its practices  
9 continue to be adequate, given the age of its electrical system, and remain  
10 consistent with industry best practice. This review will include an assessment  
11 of the Company's transmission line asset management practices including its  
12 capital investment and maintenance programs.*" What projects/programs in  
13 the CBA will be informed by NP's review of asset management practices?  
14
- 15 CA-NP-188 (Reference CA-NP-120) Please reproduce Table 1 showing the individual  
16 projects in each year that exceeded budget by 10% or more.  
17
- 18 CA-NP-189 (Reference CA-NP-124) Table 1 shows that the actual conductor per kilometer  
19 cost was 225% of the budgeted cost.  
20 a) What percentage of the total does this element of the project represent in  
21 both budget and actual project costs?  
22 b) What is the actual cost per kilometer today?  
23 c) Is this cost increase expected to persist going forward, or is it expected to  
24 be temporary?  
25 d) How has NP adjusted its capital budget process going forward as a result  
26 of this huge increase in conductor costs?  
27
- 28 CA-NP-190 (Reference CA-NP-125) Noting that the actual project cost was 65% over  
29 budget, why did the issues with the DND not constitute a significant change  
30 in the project prompting a reassessment and refile of the project with the  
31 Board?  
32
- 33 CA-NP-191 (Reference NLH-NP-023) Please include in Table 1 a comparison of the  
34 annual maintenance costs for Line 146L on a per km basis to the average  
35 annual maintenance cost per km on NP's transmission system.  
36
- 37 CA-NP-192 (Reference PUB-NP-043) It is stated "*Based on the line's sub-standard  
38 design, the increase in the number of deficiencies present, and its overall  
39 deteriorated condition, Newfoundland Power assigned a probability value of  
40 Likely (4) meaning, if the project does not proceed, the probability of failure  
41 is judged to be within a range of 76% to 90%.*" Over what period of time does  
42 this estimate of the likelihood of failure apply?

- 1 CA-NP-193 (Reference PUB-NP-046) It is stated “*As a result of the looped configuration*  
 2 *of the Central Newfoundland 138 kV transmission system, removing*  
 3 *Transmission Line 146L from service alone will not result in customer*  
 4 *outages. Another 138 kV transmission line on the system would also have to*  
 5 *be out of service at the same time.*” Please confirm that this is consistent with  
 6 NP’s planning criteria as it does not plan its transmission system to maintain  
 7 supply during a double contingency.  
 8
- 9 CA-NP-194 (Reference Technical Conference) For the 2024 CBA projects/programs in  
 10 excess of \$750,000 where 2024 expenditures were determined by historical  
 11 averages, were any other adjustments made, other than for expected inflation  
 12 in 2024 and, where applicable, for the number of new customers? If so, to  
 13 which projects/programs and what were those adjustments?  
 14
- 15 CA-NP-195 (Reference Technical Conference and Application Schedule C) Please identify  
 16 all projects/programs of \$750,000 and under for which the historical average  
 17 method was used to determine the 2024 CBA amounts. For those  
 18 projects/programs please provide an Excel table listing them, the expenditures  
 19 on each for each year for 2019 to 2023, the request for 2024, and the  
 20 percentage change in 2024 compared to 2023.  
 21
- 22 CA-NP-196 (Reference Technical Conference and Application Schedule C) Please identify  
 23 all projects/programs over \$750,000 for which the historical average method  
 24 was used to determine the 2024 CBA amounts. For these projects/programs  
 25 please provide an Excel table listing them, the expenditures on each for each  
 26 year for 2019 to 2023, the request for 2024, and the percentage change in 2024  
 27 compared to 2023.  
 28
- 29 CA-NP-197 (Reference Technical Conference and CA-NP-078) In Table 2 the five-year  
 30 historical average for Relocate/Replace Distribution Lines for Third Parties  
 31 Program includes a figure of approximately \$6.2 million for 2019 whereas for  
 32 all other years the expenditure ranges from \$3.2 million to \$3.8 million, all in  
 33 inflation adjusted terms.  
 34
- 35 a) What was the expenditure on this program in 2018 in nominal and 2023  
 36 dollars?  
 37
- 38 b) Newfoundland Power indicates that much the higher expenditure on this  
 39 program in 2019 was due to an increase in the capital programs of its joint  
 40 use partners, Bell Aliant and Rogers Communications.  
 41 (i) Have those partners indicated that a similarly large increase will  
 42 occur in 2024 or 2025 or 2026?  
 43 (ii) Do those joint use partners contribute to the cost of this program? If  
 44 so, how? If not, why?

(iii) Please provide a revision of Table 2 with expenditures associated with the joint use partners separated from the remainder of the expenditures.

CA-NP-198 (Reference Technical Conference) For projects/programs over \$750,000 for which the historical averages have also been used to determine expenditures in previous CBAs, have actual expenditures been similar to the CBA amounts? Please include in the response a comparison of actual and 2022 CBA figures for 2022, a comparison of actual and 2021 CBA figures for 2021, and similarly for 2020 and 2019.

CA-NP-199 (Reference Technical Conference and CA-NP-083) With respect to the Extensions Program:

- a) Please revise Table 1 to include 2018.
- b) Does Newfoundland Power have any explanation for why the 2019 cost/customer exceeds those of 2018 and 2020 to 2023?
- c) Please provide two versions of Table 1, one for domestic customers and one for general service customers.

CA-NP-200 (Reference Technical Conference) In cases where the historical averaging method for determining CBA expenditures outlier years occur from time to time and in some programs/projects more than others. Has Newfoundland Power considered addressing the impact of outlier years in a systematic way such as (i) using a six-year average, (ii) using a weighted average with greatest weight to the most recent years, (iii) aggregating similar programs/projects or (iv) identifying outliers and excluding them according to some reasonable criteria?

CA-NP-201 (Reference CA-NP-088) Regarding the Replacement Street Lighting program, the expenditure estimate for 2024 is based on a three-year average and entails a 12% increase over 2023.

- a) Other than for the high spending of \$937 thousand in 2022 and modest inflation, does Newfoundland Power have any other justification for this 12% increase in expenditure in 2024?
- b) Newfoundland Power indicates that it is unable to track trouble calls leading to expenditure under the Street Light Replacement program but states “trouble calls related to street light outages are most commonly received for “street light out” situations, and not specifically for issues with poles, brackets and wires. Please provide the number of calls for “street light out” for 2023 to date and each of the past 5 years.
- c) Newfoundland Power (Application Schedule B page 56) states “*Street light maintenance is conducted upon receiving trouble calls from customers.*” Is every task under the Replacement Street Lighting program initiated by a street light trouble call?

- 1 d) According to Newfoundland Power (Application Schedule B, page 3) LED  
 2 street lights are more reliable than HPS street lights and states “*On average,*  
 3 *LED street lights experience an outage every 20 or more years. By*  
 4 *comparison, HPS street lights experience an outage every six years on*  
 5 *average.*”
- 6 (i) In light of its rapid installation of more reliable LED street lights  
 7 and any associated hardware, poles and related repairs in that  
 8 process, would it be reasonable to expect street light trouble calls to  
 9 decrease as more LED street lights and related hardware are  
 10 installed?
- 11 (ii) Would not the expenditure on the Replacement Street Lighting go  
 12 down as consequence?
- 13 e) Newfoundland Power (Application Schedule B page 3) intends to have all  
 14 street and area lights replaced by LED lights by 2026. Figure 1 in the  
 15 response to CA-NL-088 shows no decline in real expenditures on the Street  
 16 Light Replacement program in 2026 to 2028.
- 17 (i) With the replacement of all LED lights by 2026 as well  
 18 replacement/repair of the related failed street light poles and hardware  
 19 as associated with that replacement process, what is Newfoundland  
 20 Power’s forecast of street light trouble calls in 2026, 2027 and  
 21 2028?(ii) Assuming Newfoundland Power succeeds in having all  
 22 street and area lights in its service area converted to LED lights by  
 23 2026, how much does Newfoundland Power expect to spend on its  
 24 LED Street Light Replacement program in 2026, 2027 and 2028?

25  
 26 CA-NP-202

- (Reference CA-NP-067) Forecasts of annual inflation rates by the Conference  
 27 Board of Canada are given as 1.95%, 1.63%, 1.63%, 1.66% and 1.84% for  
 28 2024 to 2028, respectively.
- 29 a) Please provide the source CBOC document with table/page reference for  
 30 those inflation rates.
- 31 b) For the same years Newfoundland Power uses rates of 2.27%, 1.80%,  
 32 1.86%, 2.02% and 2.10%, respectively, in developing its capital plan. Why  
 33 are Newfoundland Power’s inflation rates consistently higher than the  
 34 Conference Board’s forecasts?

35  
 36 CA-NP-203

(Reference CA-NP-067) In Footnote 1 and on page 2 of 2 it is stated that “*In*  
 37 *Order No. P.U. 36 (1998-1999), the Board ordered the adoption of the GDP*  
 38 *Deflator for Canada as an appropriate inflation index for forecasting*  
 39 *Newfoundland Power’s non-labour expenses.*” Please confirm that this  
 40 statement should be corrected to reflect the Board Order on page 95 of P.U.  
 41 36(1998-1999), which states “*The adoption of the GDP deflator for Canada*  
 42 *is accepted as an appropriate inflation index to forecast non labour operating*  
 43 *expenses.*” Also, please confirm that that non labour operating expenses are  
 44 not capital expenditures.



- 1 CA-NP-204 (Reference CA-NP-067) In Table 1, the CBOC annual inflation rates for  
 2 Business Non-Residential Structures, Machinery and Equipment are all less  
 3 than 0.10%. Rates for 2024 and 2025 are given as 0.03% and 0.08%. In the  
 4 CBOC publication “Hidden Shoals, Canada’s Three-Year Outlook” April  
 5 2023, Table 13 gives forecast inflation rates for those years are 0.8% and 1.2%  
 6 respectively. Please reconcile.  
 7
- 8 CA-NP-205 (Reference CA-NP-023)  
 9 (a) Please confirm that Newfoundland Power does not anticipate any overall  
 10 operational cost savings as a result of implementing the CIS project and  
 11 please re-state the entire amount of money that has been spent on the CIS  
 12 project to date.  
 13 (b) Please inform if there are customer counter walk-in services in any of your  
 14 locations and, if so, state the name of these locations.  
 15 (c) Please inform when counter service was discontinued in any of your  
 16 locations and the reason for that discontinuance.  
 17
- 18 CA-NP-206 (Reference Application) In a press release of September 19, 2023,<sup>1</sup> Fortis Inc.  
 19 stated “*The Corporation’s \$25.0 billion five-year capital plan is expected to*  
 20 *increase midyear rate base from \$36.8 billion in 2023 to \$49.4 billion by*  
 21 *2028, translating into a five-year compound annual growth rate of 6.3% on a*  
 22 *constant foreign exchange basis.” Please confirm that Newfoundland Power’s*  
 23 *2024-2028 Capital Plan, or the information in it, was available to Fortis to*  
 24 *assist in developing its five-year capital plan and explain how that information*  
 25 *was used by Fortis in determining that its midyear rate base will grow at an*  
 26 *annual compound rate of 6.3%?*  
 27
- 28 CA-NP-207 (Reference Grant Thornton Review of Newfoundland Power’s 2024 CBA)  
 29 The Grant Thornton Review verifies an increase in Newfoundland Power’s  
 30 average rate base of 2.3% from 2021 to 2022.  
 31 a) What indications or feedback has Newfoundland Power received from  
 32 Fortis on whether such growth in Newfoundland Power’s rate base is  
 33 consistent with Fortis’s five-year capital plan to grow its rate base by 6.3%  
 34 annually?  
 35 b) Is the policy of Fortis that its subsidiaries, including Newfoundland Power,  
 36 should grow their rate bases according to how much capital expenses they  
 37 can get through from a regulated point of view?

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<sup>1</sup> <https://www.globenewswire.com/news-release/2023/09/19/2745392/0/en/Fortis-Inc-Announces-New-25-Billion-Five-Year-Capital-Outlook-and-4-4-Increase-in-Fourth-Quarter-Dividend-Marking-50-Years-of-Dividend-Increases.html>

**DATED** at St. John's, Newfoundland and Labrador, this 26<sup>th</sup> day of September, 2023.

Per:



A handwritten signature in blue ink, appearing to read "Dennis Browne", is written over a horizontal line. The signature is stylized and cursive.

**Dennis Browne, KC**  
**Consumer Advocate**

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