

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

IN THE MATTER OF an Application
by Newfoundland Power for approval of:

(1) under section 41 of the Act, its 2004 capital
purchases, and construction projects in excess of \$50,000,
and

(2) under section 78 of the Act, the fixing and determining
of its rate base for 2002 in the amount of \$573,337,000

**Requests for Information
PUB-1 NP to PUB 135 NP**

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Requests for Information

NP 2004 Capital Budget Application

General

- PUB-1 NP Provide the following data for the period 1992 to 2002, 2003F, and 2004 as proposed:
- a. Total Internal Labour
 - b. Total Contract Labour
 - c. Total Materials
 - d. Total Engineering
 - e. Total Other
 - f. Total
- PUB-2 NP Provide the same data as requested in PUB-1 NP sub-divided by the categories listed in Schedule A of the Application, save for the project categories “Unforeseen Items” and “General Expenses Capitalized”.
- PUB-3 NP Provide a description of what is included in the expense category “Other”.
- PUB-4 NP Provide a description of what is included in the expense item “Engineering”.
- PUB-5 NP Provide a breakdown for the total proposed capital budget of the expense category “Engineering” to show any internal labour costs, contract labour costs, or other costs?
- PUB-6 NP Provide a breakdown for the total proposed capital budget of the expense category “Other” to show any internal labour costs, contract labour costs, and other costs?
- PUB-7 NP Expressed as percentage, compare the total proposed capital expenditure for 2004, 2005 and the average annual from the 2006-2008 estimates, with:
- a) cash flow from operations for the relevant year,
 - b) net income for the relevant year,
 - c) sales (expressed in revenue) for the relevant year.

Reliability

- PUB-8 NP What are the company's existing reliability targets and those for 2005, 2006, 2007 and 2008 expressed as:
- a) SAIDI
 - b) SAIFI, and
 - c) Up-time
- for the following:
- a) system wide
 - b) distribution
 - c) transmission,
 - d) feeders, and
 - e) substations
- PUB-9 NP List all projects proposed in the 2004 Capital Budget Application whose principal justification is based on making direct improvements in the reliability of the following:
- a) System wide
 - b) Distribution
 - c) Transmission
 - d) Feeders, and
 - e) Substations
- PUB-10 NP List all projects proposed in the 2004 Capital Budget Application whose principal justification is based on improving safety.
- PUB-11 NP List all projects proposed in the 2004 Capital Budget Application whose principal justification is based on making direct improvements in operational efficiencies.
- PUB-12 NP List all projects proposed in the 2004 Capital Budget Application that are not listed in PUB-9, PUB-10 or PUB-11.
- PUB-13 NP What direct evidence can NP offer to support the proposition that its General Service customers are not satisfied with the current level of reliability of their electrical service?
- PUB-14 NP What direct evidence can NP offer to support the proposition that its urban Residential customers are not satisfied with the current level of reliability of their electrical service?
- PUB-15 NP What direct evidence can NP offer to support the proposition that its rural Residential customers are not satisfied with the current level of reliability of their electrical service?

- PUB-16 NP Provide the following data for the period 1992 to 2002 (actual), 2003F, 2004 proposed and the average for the period 2006 to 2008:
- a) Total capital expenditure per customer,
 - b) Total capital expenditure per GWh sold,
 - c) Total Energy related capital expenditure per GWh produced,
 - d) Total Distribution related capital expenditure per customer,
 - e) Total Distribution related capital expenditure per GWh sold.

Production

- PUB-17 NP Provide a breakdown, by month, of the power produced by each of NP's hydro plants during the period 1999 to 2002.
- PUB-18 NP Recalculate the 2004 annual fuel savings achieved by operating each of NP's hydro plants based on the displacement of production that would otherwise have been generated by Hydro's Holyrood plant during the period when the Holyrood plant was operating to provide base load.
- PUB-19 NP Recalculate the answer to PUB-18 for the period 2005 to 2008 taking in to account the expected production from Granite Canal.
- PUB-20 NP Provide definitions for:
- a) the "expected life" of an asset,
 - b) the "useful life" of an asset.
- PUB-21 NP How will placing the proposed 2.5 MW Standby Portable Diesel generating unit in Trepassey "maximize overall system reliability"?
- PUB-22 NP Provide the following data, expressed annually unless otherwise indicated, for the period 1992 to 2002:
- a) Number of NP owned portable generating units in operational condition and their location,
 - b) Number of island located Hydro owned portable generating units in operational condition and their location,
 - c) Power produced and sold by each NP portable generating unit,
 - d) Short run marginal cost of the energy produced and sold by each NP owned portable generating unit
 - e) Number of times each NP owned portable generating unit was called upon to "support system capacity".

Distribution

- PUB-23 NP Given that the "cost of major equipment replacement or rehabilitation occasioned by deterioration or catastrophic failure" is "**unanticipated**" (B-16, Major Electrical Equipment Repairs), why wouldn't it be considered budgeted under the provision for "Unforeseen Allowance".

- PUB-24 NP Compare the average expenditure for “Rebuild Substations” (B-18) for the period 1999 to 2003F with the proposed budget for 2004, 2005 and the average of the expected expenditure for the period 2006 to 2008.
- PUB-25 NP What specific gains in reliability, expressed as SAIFI, SAIDI, and uptime, does NP expect to achieve as a result of the proposed Rebuild Substation expenditures for the period 2004 to 2008.
- PUB-26 NP What specific gains in reliability, expressed as SAIFI, SAIDI, and uptime, did NP achieve as a result of the Rebuild Substation expenditures for the period 1999 to 2002.
- PUB-27 NP What is the current annual depreciation expense for Substation assets.
- PUB-28 NP What is the total capital expenditure in 2004 on Substation assets?
- PUB-29 NP What impact will the 2004 capital expenditures on Substations have on the depreciation expense for Substations in 2005?
- PUB-30 NP Given that the 1999 to 2001 three year average annual expenditure for the “Replacement of Standby Substation Equipment” is \$310,000, provide a complete explanation, including specific evidence of equipment inspections and any assessments of NP’s current stock of spare equipment, to show why the subsequent, 2002 to 2008 seven year, average annual expenditure for the same category is forecast to be \$2,206,000, an increase of six hundred and seventeen percent (**617%**) over the immediately preceding period.
- PUB-31 NP Why were no transformers replaced during the period 2001 to 2003F (Transformer Cooling Refurbishment B-22)?
- PUB-32 NP Why is NP replacing the transformers as detailed in B-22?
- PUB-33 NP How many transformers will NP need to replace with new cooling units over the next 5 years?
- PUB-34 NP Given NP’s experience with faulty porcelain cutouts and automatic sleeves, what steps has NP undertaken to ensure that the newly adopted galvanized cooling units will withstand actual environmental conditions and last the projected 40 year life expectancy?
- PUB-35 NP How many electromechanical feeder relays and oil-filled reclosers will NP need to replace in the next 5 years (B-26, Distribution System Remote Control)?

- PUB-36 NP Provide the location and five year (1997 to 2002) historical capital expenditure for each of 3L, 16L, 38L, 116L, 123L, 124L, 132L and 403L (B-32 Rebuild Transmission Lines).
- PUB-37 NP What is the average age of all 110 transmission lines?
- PUB-38 NP In the past five (5) years, has NP changed any of the testing or inspection procedures used to identify corroded conductors on transmission lines? If so, provide a commentary on whether the “significant increases” in the quantities of corroded conductors can be attributed to the change in testing and inspections.
- PUB-39 NP Provide the actual calculation used to arrive at its 2004 proposed expenditure (B-34, Extensions).
- PUB-40 NP Compare the eighty-five percent (**85%**) growth in the level of expenditure for Extensions (B-34) during the period 1999 to 2003F, to the following:
- a) Growth in the number of new customers,
 - b) Growth in energy sales, and
 - c) Growth in load
- PUB-41 NP Provide a breakdown between the number of new meters, both regular and AMR, that are needed for new customers versus existing customers (B-36, Meters).
- PUB-42 NP Provide the actual calculation used to arrive at the quantity of meters used for replacement purposes.
- PUB-43 NP Provide a breakdown, by absolute number and expenditure, of the service wires (N-38, Services) needed for:
- a) new customers
 - b) replacement of existing wires, and
 - c) to accommodate additional load
- PUB-44 NP Provide the actual calculation used to arrive at the project cost for the connection of new customers as well as for the replacement of existing services wires.
- PUB-45 NP Is NP aware of the Dark Skies Initiative (see: <http://www.darksky.org/index.html> or <http://www.darksky.org/main.shtm>), and if so, what policies has it adopted to encourage end users (e.g. cities, towns and businesses) to implement improvements in the design of outdoor lighting that are consistent with DSI (B-40, Street Lighting)?

- PUB-46 NP Does NP utilize high pressure or low pressure sodium bulbs in street lighting?
- PUB-47 NP Does NP provide consultative advice to prospective and existing street lighting customers on the respective energy consumption of high versus low pressure sodium bulb street lighting?
- PUB-48 NP Provide the following:
 a) 1999 annual street lighting energy sales per street light
 b) 2004 forecast street lighting energy sales per street light
- PUB-49NP Explain why the 2004 proposed level of expenditure for Street Lighting has increased by fifty-five percent (**55%**) over 1999?
- PUB-50 NP Provide the actual calculations used to arrive at the proposed expenditures for both new and replacement street lighting?
- PUB-51 NP Why is there no provision made for labour or engineering related to the purchase and replacement of transformers (B-42, Transformers)?
- PUB-52 NP Provide a breakdown of expenditures for Transformers (B-42) between the three categories listed (new, replacement based on field surveys, and other).
- PUB-53 NP Why are expenditures related to storm damage to distribution and electrical equipment (B-44, Reconstruction) that are “high priority projects that normally cannot be deferred to the next budget year” not considered to be budgeted under the provision for Unforeseen Allowances?
- PUB-54 NP Explain why the 2004 budget for “Rebuild Distribution Lines” (B-48) is eighty-five percent (**85%**) higher than the previous five year historical average?
- PUB-55 NP Explain why the average annual estimated 2006-2008 capital expenditure for “Rebuild Distribution Lines” is one hundred and twenty six percent (**126%**) higher than the previous five year historical average?
- PUB-56 NP What steps, if any, has NP taken to seek compensation for costs and damages arising from the premature failure of automatic sleeves?
- PUB-57 NP Given that NP’s own evidence would suggest that reliability is not threatened in a measurable way by lighting strikes (Lightning Arrestor Report, Volume III, Distribution, Appendix 2, Attachment B – Isokeraunic Levels, p.1), what rationale can be provided to support expenditures related to the installation of lightning arrestors (p.3)?

- PUB-58 NP List the worst 25 feeders by SAIDI (B-52, Distribution Reliability Initiative) together with the number of customers served and an estimate of the cost required to rehabilitate each such feeder.
- PUB-59 NP List the worst 25 feeders by SAIFI together with the number of customers served and an estimate of the cost required to rehabilitate each such feeder.
- PUB-60 NP List the worst 25 feeders by customer minutes lost together with an estimate of the cost required to rehabilitate each such feeder.
- PUB-61 NP What direct and specific evidence can NP lead which supports the statement that “Expenditures on the distribution reliability initiative have had a positive impact on the reliability performance of the feeders that have been upgraded to date”.
- PUB-62 NP Explain why the proposed 2004 capital expenditure for “Feeder Additions and Upgrades to Accommodate Growth” (B-54) is one hundred and fifty eight percent (**158%**) higher then the next highest expenditure made in the previous five year period, and some seventeen hundred and thirty percent (**1730%**) higher then the 1999 expenditure?
- PUB-63 NP What “recommended guidelines” is NP currently exceeding (B-55)?
- PUB-64 NP Did the manufacturer of the high voltage oil-filled switch ever “guarantee” that the switch had load break capability (B-57, Switch replacement and Upgrade Underground Distribution)?
- PUB-65 NP (B-59, Tools & Equipment) Excluding expenditures for office furniture and equipment, provide the following data for each year from 1999 to 2004:
- a) project cost per FTE,
 - b) project cost per dollar of invested plant, and
 - c) project cost per GWh sold.
- PUB-66 NP If based on “historical costs” as indicated, please explain why the project costs for Tools and Equipment (B-60) have varied from a high of \$827,000 to a low of \$427,000 during the five (5) year period from 1999 to 2003.
- PUB-67 NP Explain how the “Electrical Maintenance Facility” or “Salt Pond Service Building” “are not part of the electrical supply to customers” (B-61, Real Property).
- PUB-68 NP Why is NP forecasting an increase of ninety-one percent (**91%**) in the average capital expenditures for Real Property (B-61) for the period 2005

to 2008 as compared to the average capital expenditures during the immediately preceding five year period of 2000 to 2004?

PUB-69 NP Provide further details on the “older vintage radio equipment and towers” referred to (B-64, Replace/Upgrade Communication Equipment).

Information Technology

General

PUB-70 NP Provide a definition of **Labour–Internal** when used for costing under the “Information Systems” Classification.

PUB-71 NP The cost category “Other” comprises over twenty-five percent (25%) of NP’s total IT capital budget. Provide a summary listing of “Other” costs for each project.

| Project Costs (000s) | | | | | | |
|----------------------------------|-------------|----------------|----------------|-------------|-------------|-------------|
| Project | Material | Labour- Int | Labour- Cnt | Engineering | Other | Totals |
| Application Enhancements | 23 | 735 | | | 597 | 1355 |
| Application Environment | 270 | 346 | | | 175 | 791 |
| Customer Systems Replacement | 15 | 166 | | | 45 | 226 |
| Network Infrastructure | 341 | 36 | | | 16 | 393 |
| Personal Computer Infrastructure | 358 | 72 | | | 99 | 529 |
| Shared Server Infrastructure | 414 | 145 | | | 85 | 644 |
| Totals | 1421 | 1500 | 0 | 0 | 1017 | 3938 |

PUB-72 NP NP alleges that its Information Technology projects will provide the following benefits:

- reduction in the dependency on custom code, resulting in fewer software changes. (see Appendix 1, Page3, Line 1; Appendix 3, Page 1, Line 21; Appendix 3, Page 1, Last Line on Page; Appendix 3, Page 2, 3rd Last Line)
- reduction or elimination in the need to create company specific modifications or “workarounds”. (see Appendix 2, page 3, 3rd line from the bottom)
- increased system reliability and reduction in IT staff support requirements allowing NP to “do more with less” by freeing up valuable IT resources.

What specific examples can NP provide to demonstrate how these alleged benefits will reduce NP’s overall IT costs and/or improve operational efficiency. Provide any ROI calculations.

Application Enhancements

- PUB-73 NP Provide a breakdown of costs for the “Process Improvements” and “Bar Coding” projects listed in the Business Support Systems section of Appendix I, p.1.
- PUB-74 NP Explain why NP refers to the Process Improvements to be achieved through the upgrade of the Microsoft Great Plains Software in the “Application Enhancements” section of the budget (Appendix 1) when the cost for the upgrade is included under the separate project heading “Application Environment” (Appendix 2, p.1)
- PUB-75 NP What portion, if any, of the cost of upgrading the Microsoft Great Plains Software is included in “Business Support Systems” sub-heading under “Application Enhancements”.
- PUB-76 NP The “Process Improvement” section of “Application Enhancements” describes four (4) improvements available as part of the upgrade to Microsoft Great Plans version 7. These are:
1. Application Security Enhancements
 2. Increased Data Importing Abilities
 3. Improved access to Information
 4. Multi-bin Capabilities
- Provide a description of the existing work tasks that require these additional features.
- PUB-77 NP What cost is allocated to the changes required to the company’s Internet site (Appendix 1, p.2-3)?
- PUB-78 NP What evidence can NP lead that users would prefer the proposed changes to the Company’s website?
- PUB-79 NP Explain how an auto-email notification system and self assign password system will improve operational efficiency?

(c) Operations and Engineering Enhancements

- PUB-80 NP Provide a breakdown of the “Operations and Engineering Enhancements” project costs between the five (5) items listed (Appendix 1, p.4-8).

1. Project Management Improvements

- PUB-81 NP What project methodology or methodologies do NP Project Managers currently utilize?

- PUB-82 NP What types of Project Management training does NF Power provide to its Project Managers?
- PUB-83 NP Does NF Power intend on assigning a coordinator to develop, standardize and maintain the centralized project database?
- PUB-84 NP How will NF Power provide training to project managers in the usage of the centralized project repository and where is this cost reflected in the 2004 budget.
- PUB-85 NP What is the total estimated internal staff resource time committed to the centralized project database effort.

Application Environment

- PUB-86 NP Provide a breakdown for the “Application Environment” project costs between the five items listed (Appendix 2, p. 1).

1. MS Enterprise Agreement

- PUB-87 NP Has NP chosen MS Office Standard or MS Office Professional as its corporate-wide office productivity suite?
- PUB-88 NP If NP has chosen the more expensive MS Office Professional, justify the additional costs.
- PUB-89 NP Confirm that under the “Microsoft Enterprise Agreement” section of the “Application Environment” project heading that the “Do Nothing” option actually involves buying and owning the software license as opposed to the remaining two options both of which involve effectively leasing the software.
- PUB-90 NP Provide a breakdown, together with the quote source, for the cost estimate associated with the purchase and ownership of the software licenses under the “Do Nothing” option (Appendix 2, p. 2).
- PUB-91 NP Confirm that the full license versions of MS Office XP Standard Suite is \$598.99 and for MS Office XP Professional is \$699.00 per CPU and explain the discrepancy between these costs and NP’s estimate of \$1,420.
- PUB-92 NP Did NP purchase fully licensed versions of MS Office 97 or MS Office 2000 suite?
- PUB-93 NP Confirm that the cost to upgrade to MS Office XP professional would be \$440 per CPU and to upgrade to MS Office XP standard would be \$300 if NP had previously purchased Microsoft Office licenses.

2. Database and Development Software

- PUB-94 NP What corporate business applications utilize the underlying database component(s) that are to be upgraded?
- PUB-95 NP Given that upgrading backend databases that are tied to existing applications can be disruptive and introduce potential upgrade incompatibilities, provide specific examples of how the proposed database upgrade will “ensure that the Company’s business applications continue to function in a stable and reliable manner.”
- PUB-96 NP Describe what aspects of the existing database which will not continue to function and/or become unstable unless upgraded.
- PUB-97 NP What specific additional support will be provided by the vendor as a result of the database upgrade and what specific support will be lost as a result of failing to upgrade.

4. Application Software

- PUB-98 NP Confirm that the “Application Software” project includes the cost of upgrading Microsoft Great Plains Software to version 7.0?

Customer Systems Replacement

- PUB-99 NP Provide a detailed breakdown of the costs for the individual items listed in Customer Systems Replacement.
- PUB-100 NP Provide a sample of the new bill format.
- PUB-101 NP Has the new bill design been test marketed on customers to ensure that the changes “increase customer satisfaction and respond to customer needs”.

Personal Computer Infrastructure

- PUB-102 NP Provide a report detailing the specifications of the PCs that are being replaced.

Shared Server Infrastructure

- PUB-103 NP The annual capital costs associated with NP’s Shared Server Infrastructure have grown to exceed the costs of maintaining the Personal Computer

Infrastructure. And while the costs for the Shared Server Infrastructure are forecast to grow, there is no corresponding decrease forecast in the costs for Personal Computer Infrastructure.

Provide a commentary in reply to the following note authored by NP's own IT consultant, Gartner:

Servers and Storage

The aggressive server pricing reductions of 2002 have set the stage for more-stable 2003 pricing. This will not stop enterprises from wringing more costs out. A growing number of IS organizations are broadening the use of Linux on Intel platforms as a means of cost reduction, which will increase pricing pressure on reduced instruction set computer (RISC) vendors. Storage area network adoption will accelerate as the incremental cost premium of shared storage technology declines.

Recommendation: In 2003, enterprises should look for opportunities to expand the use of Linux in the enterprise as a lower-cost alternative to RISC and Windows, and also as a pricing lever against incumbent RISC vendors. Be skeptical of vendor cost-saving claims with respect to large-scale server hardware consolidation technologies. Enterprises should carefully evaluate the effect of software vendor pricing policies, because those policies frequently counteract the savings that are accrued from shared hardware efficiencies. Consider the targeted deployment of emerging provisioning technologies to drive down short-term infrastructure deployment and management costs while positioning for future policy-based computing initiatives.

“Predictions 2003: Gartner View for Buyers of IT and IT Services”
Strategy, Trends & Tactics
Gartner Research

PUB-104 NP Explain why the cost of NP's Shared Server Infrastructure is increasing at a time when competitive forces in the Server and shared storage market are causing prices to fall.

PUB-105 NP Describe the business processes, including any specific metrics measured, that are employed by NP to evaluate the success of its IT projects?

Schedule D

PUB-106 NP Confirm that NP's rate base grew by 5.17% from 2001 to 2002.

- PUB-107 NP Expressed as percentages, compare the growth in the rate base from 2001 to 2002 with the following:
- a) growth in number of customers
 - b) growth in GWh sold
 - c) growth in GWh produced, and
 - d) growth in load.

2003 Capital Expenditure Status Report

- PUB-108 NP Why does the 2002 Capital Expenditure Carryover Report show the 2002 Capital Budget to be \$15,046,000.
- PUB-109 NP Explain why NP is forecasting to expend \$104,000 on a Web Enterprise Upgrade SCADA carry-over from its 2001 budget (Item 6).
- PUB-110 NP Explain why NP did not seek approval of the Board for the \$267,000 capital expenditure related to customer growth in Cow Head (Item 10) as it did for the Distribution related costs for the same project (Item 21).
- PUB-111 NP Explain why the “complexity and communication incompatibility” requiring “additional communications interface devices” was not anticipated at the time the budget was put forward for approval (Item 12).
- PUB-112 NP Explain what “substation standards” required NP to install additional high voltage breakers, a steel tank, the relocation of a transformer and the addition of a battery bank at a cost of \$344,000 above budget (Item 13).
- PUB-113 NP Were the “substation standards” referred to in Item 13 introduced after approval was sought and obtained for the original budget? If not, explain why these “substation standards” were not taken in to account in the original budget.
- PUB-114 NP Given that the 2002 carry over project “Modification to Accommodate Gas Turbine” (Item 13) cost seventy-two percent (**72%**), or \$344,000 more then the approved budget, why didn’t NP consider seeking supplementary approval from the Board before proceeding with the project.
- PUB-115 NP Why didn’t NP seek the approval of the Board under section 41 of the *Public Utilities Act* prior to expending \$190,000 on the “takeover of the Argentia distribution system from the Argentia Management Authority” (Item 16).
- PUB-116 NP Explain why there is an unexpended to date \$748,000 carry-over from the 2002 budget for the purchase of vehicles (representing some 34% of the total project cost of \$2,200,000).

Changes in Deferred Charges

PUB-117 NP Provide a copy of the most recent actuarial valuation of NP's pension funding.

Pre-filed Evidence

Ludlow/Delaney

PUB-118 NP Confirm that if the amount of \$30 million is approximately the same as the depreciation expense incurred each year by the Company, that the remaining portion of the capital budget as proposed, some \$24 million dollars, is in excess of the current depreciation rate and will therefore increase the depreciation expense, increase the rate base, increase the equity component of NP's capital structure, and increase the allowed return expressed in absolute dollars, in subsequent years (Ludlow/Delaney, p.3, line 16-17).

PUB-119 NP Confirm that NP adheres to the EPCA directed policy of providing the lowest possible cost electricity consistent with reliable service (Ludlow/Delaney, p. 4, line 14).

PUB-120 NP Confirm that the alleged fuel displacement figure, and calculated avoided cost, does not take in to account the fact that the savings would only be realized during periods when Holyrood is required to meet base load (Ludlow/Delaney, p.6, line 3-5).

PUB-121 NP Would not an emergency arising that poses a threat to safety or Company operations requiring an adjustment to capital plans be covered under the budget for "Unforeseen Allowance".

PUB-122 NP Which of the these two statements most accurately describes NP's capital expenditure policy:

1. Expenditures associated with unanticipated capital work made necessary by conditions caused by the environment, including weather, will, wherever possible, displace existing budgets in order to ensure that the overall capital budget remains unchanged.
2. Expenditures associated with unanticipated capital work made necessary by conditions caused by the environment, including weather, are in addition to the approved budget.

(Ludlow/Delaney, p. 14, lines 1-8)

Perry/Hutchens

PUB-123 NP Given that the “Working Capital” allowance afforded NP under the current regulatory environment is some \$22 million more than what would appear to be actually required, what immediate measures is NP taking to adjust for the difference when calculating its rate base in future years.

Energy Supply Appendix 2

Attachment A

PUB-124 NP Compare the levelized cost per kWh of power produced from the New Chelsa plant, both before and after the proposed work, with the sort run marginal cost of power produced by Holyrood, Rose Blanche, Cat Arm, Bay d’Espior and Granite Lake.

PUB-125 NP What is the current undepreciated capital cost of the New Chelsa plant.

PUB-126 NP When was the steel penstock at the New Chelsa plant installed.

PUB-127 NP What is the undepreciated capital cost of the steel penstock at the New Chelsa plant that NP proposes to replace due to premature deterioration.

Substations Appendix 2

PUB-128 NP Does NP test oil filled electrical equipment to determine whether the PCB contamination is above the 50 ppm cut-off before slating the equipment for replacement.

Substations Appendix 4

Attachment A

PUB-129 NP What DSM related initiatives has NP undertaken or sponsored that could, if adopted, otherwise defer the requirement to add capacity to the Corner Brook Transformer equipment.

PUB-130 NP Why was the “weighted average *incremental* cost of capital” used to conduct an economic analysis instead of the weighted average cost of capital.

PUB-131 NP Doesn’t the “Western Region – Corner Brook 2003 Five Year Forecast” of load growth imply that, other than in 2003, the installed capacity will meet or exceed demand for the period examined (2003 to 2008)?

Distribution Appendix B**Attachment B**

PUB-132 NP Provide the actual lightning caused failure rate in transformers for each of the five years (p.3).

PUB-133 NP Recalculate the “do nothing” scenario excluding the 2002 data (p.3).

PUB-134 NP Recalculate the Present Value for Alternative 1 using an annual number of transformer failures for the past five years excluding 2002 (Cost of Alternatives, p.3)

Distribution Appendix 3**Attachment A**

PUB-135 NP Does the project costs for the upgrade of Wesleyville-02 Feeder include the cost of purchasing the poles currently owned by Fortis (Appendix A, p.9), and if so, what is the cost associated with the same.

Mark Kennedy
Board Hearing Counsel