



August 24, 2015

Ms. G. Cheryl Blundon
Board of Commissioners of Public Utilities
120 Torbay Road, P.O. Box 12040
St. John's, NL A1A 5B2

Ladies & Gentlemen:

Re: Newfoundland and Labrador Hydro's 2013 Amended General Rate Application
Re: Requests for Information PR-CA-NLH-01 to PR-CA-NLH-17

Enclosed are the original and twelve (12) copies of the Consumer Advocate's Requests for Information as follows:

PR-CA-NLH-01 to PR-CA-NLH-17

A copy of the letter, together with enclosures, has been forwarded directly to the parties listed below.

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

Yours very truly,

O'DEA, EARLE



THOMAS JOHNSON, Q.C.

TJ/jcel

cc: Newfoundland & Labrador Hydro
P.O. Box 12400
500 Columbus Drive
St. John's, NL A1B 4K7
Attention: Geoffrey P. Young, Senior Legal Counsel

Newfoundland Power
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6



Attention: Gerard Hayes, Senior Legal Counsel

Vale Newfoundland and Labrador Limited
c/o Cox & Palmer
Suite 1000, Scotia Centre
235 Water Street
St. John's, NL A1C 1B6
Attention: Thomas J. O'Reilly, Q.C.

Towns of Labrador City, Wabush,
Happy Valley-Goose Bay and North West River
c/o Brown Fitzgerald Morgan & Avis
P.O. Box 23135
Terrace on the Square
St. John's, NL 1B 4J9
Attention: Dennis Browne, Q.C.

House of Commons
Confederation Building, Room 682
Ottawa, ON K1A 0A6
Attention: Yvonne Jones, MP Labrador/Christian von Donat

Innu Nation
c/o Olthuis, Kleer, Townshend LLP
250 University Avenue, 8th Floor
Toronto, ON M5H 3E5
Attention: Nancy Kleer

Industrial Customer Group
c/o Stewart McKelvey
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
Attention: Paul Coxworthy

Nunatsiavut Government
c/o Benson Buffett
PO Box 1538
9th Floor, Atlantic Place
215 Water Street
St. John's, NL A1C 5N8
Attention: Genevieve M. Dawson

IN THE MATTER OF

the *Electric Power Control Act, 1994*, SNL 1994,
Chapter E-5.1 (the "EPCA") and the *Public Utilities
Act*, RSNL 1990, Chapter P-47 (the "*Act*"), as amended,
and regulations thereunder; and

IN THE MATTER OF

A general rate application filed
By Newfoundland and Labrador Hydro on July 30,
2013; and

IN THE MATTER OF

An amended general rate application
Filed by Newfoundland and Labrador Hydro
on November 10, 2014; and

IN THE MATTER OF

a prudence review relating to certain actions
and costs of Newfoundland and Labrador Hydro.

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
PR-CA-NLH-1 to PR-CA-NLH-17**

Issued: August 24, 2015

1 PR-CA-NLH-1 (Hydro Reply Evidence dated August 7, 2015) On page 4 (line 28)
2 and 5 (line 1), Hydro states “*Hydro’s actions have been considered*
3 *within the context of a prudent overall asset management plan*”.
4 Please provide for the record the definition of “prudent” used by
5 Hydro in its Reply Evidence.

6
7 PR-CA-NLH-2 (Hydro Reply Evidence dated August 7, 2015) Does Hydro accept
8 the following definition of “prudence” as defined in the state of
9 Illinois? If not, why not?

10 (<http://www.naruc.org/international/Documents/Accounting%20Tanzania.pdf>)?
11

12 Section 9-211 of the Illinois Public Utilities Act (PUA) states:
13 “*The Commission, in any determination of rates or charges, shall*
14 *include in a utility’s rate base only the value of such investment*
15 *which is both prudently incurred and used and useful in providing*
16 *service to public utility customers*”.

17 Section 9-212 of the PUA defines prudence to mean “...*that at the*
18 *time of certification, initiation of construction and each subsequent*
19 *evaluation of any construction project until the time of completion,*
20 *based on the evidence introduced in any hearings and all*
21 *information which was known or should have been known at the*
22 *time, and relevant planning and certification criteria, it was*
23 *prudent and reasonable to conclude that the generating or*
24 *production facility would be “used and useful” in providing*
25 *service to customers at the time of completion.*”

26 Section 9-212 of the PUA allows a generation or production
27 facility to be considered “*used and useful*” if the facility is
28 “*necessary to meet customer demand or economically beneficial in*
29 *meeting such demand....it is capable of generation or production*
30 *at significant operating levels on a consistent and sustainable*
31 *basis*”.

32
33 PR-CA-NLH-3 (Hydro Reply Evidence dated August 7, 2015) On page 15 (lines 3
34 to 5), Hydro states “*the development of this figure includes*
35 *\$824,000 related to actual Transformer Transportation Costs*
36 *which were not included in the 2014 test year revenue requirement*
37 *and for which Hydro has not sought recovery from ratepayers*”.
38 Why has Hydro not sought recovery of these costs from

1 ratepayers?
2
3 PR-CA-NLH-4 (Hydro Reply Evidence dated August 7, 2015) On page 17 (lines 3
4 to 5), Hydro states “\$161,000 of this amount was on account of
5 disposal costs, and Hydro has not sought any recovery of these
6 costs from its ratepayers as part of the 2014 test year revenue
7 requirement”. Why has Hydro not sought recovery of these costs
8 from ratepayers?
9
10 PR-CA-NLH-5 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
11 Start) Hydro states (page 26, lines 3 to 10) that Liberty indicated
12 there was a prolonged period during which black start was
13 unavailable. In Hydro’s opinion, and based on NERC requirements
14 relating to black start, was Hydro ever without black start
15 capability?
16
17 PR-CA-NLH-6 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
18 Start) Based on NERC requirements relating to black start, was the
19 diesel facility needed for black start?
20
21 PR-CA-NLH-7 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
22 Start) Was use of Hardwoods to black start the Avalon Peninsula
23 an acceptable and lowest cost alternative for meeting black start
24 requirements, meeting both NERC and NPCC standards relating to
25 black start?
26
27 PR-CA-NLH-8 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
28 Start) Did the Hardwoods gas turbine adequately meet the black
29 start requirement on the Avalon Peninsula during the January 2014
30 outage events?
31

1 PR-CA-NLH-9 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
2 Start) Please confirm that the need for the diesel plant was
3 premised on the potential for an outage event that has occurred
4 only once in the past 20 years, and that Hydro has since taken steps
5 to avoid a repeat occurrence of this type of outage event (PUB-
6 NLH-23 relating to Hydro’s Holyrood Blackstart Diesel Units
7 Application).
8

9 PR-CA-NLH-10 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
10 Start) Hydro’s response to CA-NLH-3 (Island Interconnected
11 System Supply Issues and Power Outages Inquiry) states: “*short-*
12 *term loss of customer load is part of the design standard applied.*
13 *... This criterion provides a balance of cost and reliability*”.
14 Please provide the analysis undertaken by Hydro that balances cost
15 and reliability for the diesel plant.
16

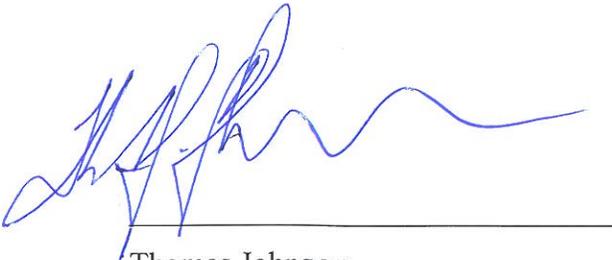
17 PR-CA-NLH-11 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
18 Start) At the time the diesel plant was under review, what was the
19 expected cost of the diesel plant, what was the expected reduction
20 in energy not supplied, and what was the estimated value of the
21 reduction in energy not supplied?
22

23 PR-CA-NLH-12 (Hydro Reply Evidence dated August 7, 2015, Section 10, Black
24 Start) Please provide an analysis as to whether the diesel black
25 start facility should be included in Hydro’s rate base having regard
26 to the used and useful criterion set out in the preamble to PR-CA-
27 NLH-2.
28

29 PR-CA-NLH-13 (Hydro Reply Evidence dated August 7, 2015) On page 30 (lines
30 25 to 27) Hydro states “*this \$914,800 was not included in Hydro’s*
31 *2014 test year and thus Hydro has not requested recovery from*

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Dated at St. John's in the Province of Newfoundland and Labrador, this 24th day of August, 2015.



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