

HAND DELIVERED

August 28, 2013

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

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: Newfoundland and Labrador Hydro 2014 Capital Budget Application

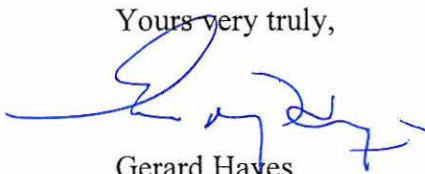
Please find enclosed the original and 8 copies of Newfoundland Power's Requests for Information NP-NLH-1 to NP-NLH-33 in relation to the above noted Application.

For convenience, the Requests for Information are provided on three-hole punched paper.

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

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

Yours very truly,



Gerard Hayes
Senior Counsel

c. Geoffrey Young
Newfoundland & Labrador Hydro

Thomas Johnson
O'Dea Earle Law Offices

Dean Porter
Poole Althouse

Paul Coxworthy
Stewart McKelvey

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

IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro for
an Order approving: (1) its 2014 capital budget
pursuant to s.41(1) of the Act; (2) its 2014
capital purchases, and construction projects
in excess of \$50,000 pursuant to s.41 (3) (a)
of the Act; (3) its leases in excess of
\$5,000 pursuant to s. 41 (3) (b) of the Act;
and (4) its estimated contributions
in aid of construction for 2014 pursuant to
s.41 (5) of the Act and for an Order pursuant to
s. 78 of the Act fixing and determining its
average rate base for 2012.

**Requests for Information by
Newfoundland Power Inc.**

NP-NLH-1 to NP-NLH-33

August 28, 2013

Requests for Information

Reference: **Volume I, 2014 Capital Plan, Page 2**

“Expenditures for new generation and transmission assets are included in these estimates, specifically for the upgrade of the transmission line corridor between Bay d’Espoir and Western Avalon and the addition of a new combustion turbine at Holyrood. These projects will be the subject of a separate filing.”

NP-NLH-1 Why has Hydro not filed these projects with the Application and when does Hydro anticipate filing these projects with the Board?

Reference: **Volume I, 2014 Capital Plan, Page 6**

“A Major project to add a nominal 60 MW Gas Turbine at Holyrood is required to meet the generation planning criteria between 2015 and completion of the Labrador Island Link.”

NP-NLH-2 Does Hydro anticipate having to add any other generation on the Avalon Peninsula between the present and 2023? If so, please provide details of anticipated additions.

Reference: **Volume I, 2014 Capital Plan, Page 7**

NP-NLH-3 Does Hydro anticipate having to add an additional 230 kV infeed/supply point to the St. John’s area between the present and 2023 (currently, the only three infeed points are the Oxen Pond, Hardwoods, and Holyrood terminal stations)? If so, please provide anticipated location and timeline possibilities.

Reference: **Volume I, 2014 Capital Projects Overview, Page 7**

NP-NLH-4 What will Gross and Net Generator Capacities of both the Hardwoods Gas Turbine and Stephenville Gas Turbine be following each unit’s planned refurbishment?

Reference: **Volume I, 2014 Capital Projects Overview, Page 7**

NP-NLH-5 It is indicated that the “...refurbishment of the Hardwoods Gas Turbine is now substantially complete...”. Please indicate when this work was substantially completed and what remains to be completed.

Reference: **Volume I, 2014 Capital Projects Overview, Page 11-12**

“Hydro has advanced the Phase 1 engineering activities in 2013 to improve the quality of its 2014 capital budget submission. Hydro has tracked these Phase 1 engineering costs specific to each project and these costs form part of the 2014 capital budget submission. Therefore, Hydro’s 2014 capital projects include Phase 1 engineering costs incurred in 2013 in association with those 2014 capital projects and Hydro proposes that the inclusion of those costs be approved.”

NP-NLH-6 In the case where Phase 1 engineering activities in 2013 have been conducted for a 2014 capital budget submission but the project does not get approved, how does Hydro propose to account for the expenditures that have already been incurred?

Reference: **Volume I, Holyrood Overview Future Operations and Capital Expenditure Requirements**

NP-NLH-7 Please indicate the period or periods over which Hydro expects to recover forecast capital expenditures for the Holyrood facility that are made in the period 2013 through 2021.

Reference: **Volume I, Holyrood Overview Future Operations and Capital Expenditure Requirements, Page 6**

NP-NLH-8 For both Phase 1 and Phase 2 the phrase “few changes are expected in terms of maintenance strategy” is used to describe the anticipated maintenance regime for both normal production and standby production. Please provide a description of any difference in maintenance regime, as it affects the capital plan for Holyrood, in the normal production and standby production phases going forward.

Reference: **Automate Generator Deluge Systems Units 3 and 6, Volume I, Section C, Page C-15**

“As part of the 2013 Capital Budget, a project entitled Automate Generator Deluge Systems Units 5 and 6 was approved by Order No. P.U.4 (2013). However, due to unforeseen changes in generating unit outage schedules, Hydro is unable to perform that work on Units 5 and 6 in 2013 and the planned installations will be completed on Units 4 and 7 instead.”

NP-NLH-9 Has Hydro sought and received approval from the Board with respect to this change in the project for 2013? If not, in what basis does Hydro believe that this change is justified without the approval of the Board?

Reference: **Install Fire Protection Upgrades, Volume I, Section D, Page D-76 to D-77**

“FM Global, Hydro’s insurer, has noted their concern with risk associated with the No. 6 fuel oil systems at Holyrood in their report FM Global Risk Report, Fire and Natural Hazards Special Risk Evaluation, Holyrood Thermal Plant, Aug 24, 2011 (see Appendix A, pages A-7 and A-8 (target 08-10-001)). Due to the large quantities of No. 6 fuel oil that is present inside the plant, FM Global has recommended a number of measures that if installed, will reduce the likelihood that the fuel system will feed an existing fire.

NP-NLH-10 Are Hydro’s insurance premiums contingent on meeting the recommendations in the report *FM Global Risk Report, Fire and Natural Hazards Special Risk Evaluation, Holyrood Thermal Plant, Aug 24, 2011*?

Reference: **Install Fire Protection Upgrades, Volume I, Section D, Page D-76 to D-77**

“FM Global, Hydro’s insurer, has noted their concern with risk associated with the No. 6 fuel oil systems at Holyrood in their report FM Global Risk Report, Fire and Natural Hazards Special Risk Evaluation, Holyrood Thermal Plant, Aug 24, 2011 (see Appendix A, pages A-7 and A-8 (target 08-10-001)). Due to the large quantities of No. 6 fuel oil that is present inside the plant, FM Global has recommended a number of measures that if installed, will reduce the likelihood that the fuel system will feed an existing fire.

NP-NLH-11 Will completing this work result in a decrease in insurance premiums?

Reference: **Install Handheld Pendant to Overhead Crane, Volume I, Section D, Page D-98.**

NP-NLH-12 Please complete the table below:

	2008	2009	2010	2011	2012
# of hours cab of overhead crane was occupied.					

Reference: **Install Handheld Pendant to Overhead Crane, Volume I, Section D, Page D-98.**

NP-NLH-13 What is the expected remaining service life of the overhead crane?

Reference: **Inspect Fuel Storage Tanks, Volume I, Section D, Page D-114**

NP-NLH-14 Please explain Newfoundland and Labrador Hydro's policy for either expensing or capitalizing equipment inspections.

Reference: **Remove Safety Hazards, Volume I, Section D**

NP-NLH-15 Describe Hydro's methodology for providing a budget estimate for the Remove Safety Hazards project on an annual basis?

Reference: **Remove Safety Hazards, Volume I, Section D Page D-204 – D-207**

NP-NLH-16 Please provide a justification for the \$257,800 project estimate in light of the capital expenditure history provided in Table 3.

Reference: **Remove Safety Hazards, Volume I, Section D, Page D-205, Table 3**

NP-NLH-17 What Safety Hazards have been identified and what is the associated forecast estimate for removing safety hazards in 2013?

Reference: **Construct Storage Facility, Volume I, Section E, Page E-139**

NP-NLH-18 Will the existing storage buildings be retired following construction of a new, detached wood frame storage facility at Hydro's Postville diesel generation facility?

Reference: **Construct Storage Facility, Volume I, Section E, Page E-139**

NP-NLH-19 Newfoundland and Labrador Hydro's consultant, Hatch, provides an Order of Magnitude (+/- 30%) Capital Cost Estimate of \$83,000 to construct a storage facility in Postville. Newfoundland and Labrador Hydro's budget estimate for this project is \$183,800. Please explain why Newfoundland and Labrador Hydro's budget estimate is \$100,800 greater than the estimate provided by Hatch.

Reference: **Legal Survey of Primary Distribution Line Right of Ways, Volume I, Section E, Page E-207**

NP-NLH-20 Please explain why Hydro's costs associated with surveying historical plant is considered a capital expense and not an operating expense.

Reference: **Replace Telephone System, Volume I, Section E, Page E-243**

NP-NLH-21 Has Newfoundland and Labrador Hydro conducted a net present value analysis against alternatives to determine whether or not the proposed solution is least cost? If so, please provide the analysis.

Reference: **2014 Capital Budget: 2013 Capital Expenditures Explanations, Volume I, Section I**

NP-NLH-22 Please provide a table detailing each 2013 Capital Budget project listed in *2014 Capital Budget: 2013 Capital Budget Explanations*, and the percentage that each project is forecast to be over or under budget in 2013.

Reference: **2014 Capital Budget: 2013 Capital Expenditures Explanations: Upgrade Terminal Stations to 25 kV – Labrador City, Volume I, Section I, Page I-21 – I-22**

NP-NLH-23 It is indicated that "The budget for this project was previously increased to \$12,650,000...". Please provide the particulars of this increase (including reasons) and any Board approval of the increase.

Reference: **Plan of Projected Operating Maintenance Expenditures 2014 – 2023 for Holyrood Generating Station, Volume I, Section J**

NP-NLH-24 Please provide in tabular form the forecast annual operating maintenance and capital expenditures for the Holyrood facility for 2013 through 2023.

Reference: **Plan of Projected Operating Maintenance Expenditures for Holyrood Generating Station 2014 – 2023, Volume I, Section J, Appendix B, Page B2**

NP-NLH-25 Please describe the work included under the headings of Boiler O/H during the period from 2021 to 2022 when the Holyrood facility is scheduled to be decommissioned.

Reference: **Condition Assessment and Life Extension – Holyrood, Volume II, Report 8.**

NP-NLH-26 Please provide, in tabular form, the technical engineering support used to determine the need for operating the Holyrood Thermal Plant in standby mode for the 2016-2021 period.

Reference: **Condition Assessment and Life Extension – Holyrood, Volume II, Report 8.**

NP-NLH-27 What is the estimated end of service life of Unit 3 once it is converted to synchronous condenser mode in 2021?

Reference: **Upgrade Circuit Breakers – Various Sites, Volume II, Report 15**

NP-NLH-28 It is indicated that Hydro is actively pursuing a regulatory amendment to federal PCB regulations and that "...capital investment for oil circuit breakers replacement will increase significantly in 2014.", if amendment is not granted (see pp. 12-13).

Please provide an estimate of the increased capital investment that will be required in 2014 if the amendment is not granted.

Reference: **Upgrade Power Transformers – Various Sites, Volume II, Report 16**

NP-NLH-29 It is indicated that Hydro's methodology to determine transformer refurbishment or replacement is "...aligned with procedures of other North American utilities with similar transformer assets." (p. i)

Please provide details of this alignment including a listing of the other North American utilities to which Hydro is comparing its methodology.

Reference: **Upgrade Diesel Plant Production Data Collection Equipment – Various Sites, Volume II, Report 23**

NP-NLH-30 Is this project economically justified? If it is not, explain why it should not be economically justified.

Reference: **Additions to Accommodate Load Growth – Hopedale, Volume II,
Report 25, Page 13, Table 10**

NP-NLH-31 Please provide the percentage of load growth for each year for 2013 to 2018.

Reference: **Additions to Accommodate Load Growth – Hopedale, Volume II,
Report 25, Page 13, Table 10**

NP-NLH-32 Please provide an explanation of the forecasted 17% increase in net peak from 2013 to 2014.

Reference: **Additions to Accommodate Load Growth – Hopedale, Volume II,
Report 25, Page 13, Table 10**

NP-NLH-33 Please provide a table showing the forecasted and actual net peak loads for 2008 to 2012.

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 28th day of August, 2013.



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