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 2007 Capital Budget of $62,166,000;
and
(b) fixing and determining its average rate base
for 2005 in the amount of $745,446,000.

INFORMATION REQUESTS

GENERATION - HYDRO

Rattling Brook Hydro Plant Refurbishment (Clustered) - $18,242,000

PUB 1.0 NP In other projects where woodstave penstocks have been replaced, either within
Newfoundland Power Inc. service territory or in other jurisdictions, have there
been follow-up reports that provide an evaluation of the actual state of the
penstock that has been replaced? If so, please provide these reports.

PUB 2.0 NP Is there an objective test or measure of the condition of the woodstave penstock that can be done?

PUB 3.0 NP Can the replacement of the penstock reasonably be put off until 2008 or later? Why or Why not?

PUB 4.0 NP Please provide a general comparison of the costs that would be incurred in the
event of a catastrophic failure of the penstock and the subsequent
repair/replacement with the replacement of the penstock in a planned and orderly
manner.

PUB 5.0 NP Since the incremental cost of replacement energy that would be incurred in the
event of a catastrophic failure would not have been included in test year costs,
how would Newfoundland Power Inc. plan to deal with such additional costs?

PUB 6.0 NP What are the probabilities of a catastrophic loss if the penstock is not replaced in
the next 1, 2, 3, 4, or 5 years?
Aside from catastrophic loss, detail potential consequences of delaying the replacement of the penstock, including the referenced operational difficulties and increasing maintenance, as well as any safety and environmental concerns, setting out the probabilities associated with each.

If it was decided that the replacement of the penstock should be deferred until 2008, what remaining aspects of the proposals require urgent attention in 2007? Identify among the remaining aspects any that can be deferred until 2008, 2009 or 2010.

Provide a cost benefit analysis that allows the urgent requirements to be dealt with in 2007 and delays the remaining until 2008, 2009 or 2010, depending on the attention required. Include the costs that will be incurred, as well as the opportunity costs of delaying the expansion of the capacity.

Provide for the last five years:
1. The particulars of maintenance costs in relation to this plant, with details in relation to the penstock and the surge tank,
2. Maintenance logs,
3. Inspection reports/assessments, and
4. Outage reports with reasons.

Has the condition of the penstock deteriorated in the last five years? Provide details.

Are there particular areas of the woodstave penstock that are significantly more deteriorated than other areas or is the penstock deterioration relatively even? If there are particular areas of concern why could these areas not simply be patched?

Provide for the last five years details of problems that have been experienced with regard to dewatering either sections of the penstock or the entire penstock.

For each of the past five years provide, if possible, the incremental cost that has been incurred as a result of restrictions on this plant due to maintenance: ie lost production due to dewatering of the penstock, or lost water due to spillage or leakage. If actual figures cannot be obtained, is it possible to estimate this cost by using downtime and available data?

Is the penstock in a condition that would reasonably allow dewatering, in whole or part, for a short or extended period?
What conditions would require that the penstock be dewatered in whole or part, for a short or extended period? What is the likelihood of this being necessary?

According to the list of rebuilds included in the 2007 Capital Budget there appears to have been changes made to the Transmission Line Rebuild Strategy that was filed with the Board with the 2006 Capital Budget Application. Please provide an updated rebuild strategy.

Although the average cost of meters has decreased considerably since 2002, the average cost included in the 2007 Capital Budget is $120, or 51.9% higher than the anticipated average cost in 2006. Please provide an explanation of this variance.

Please provide for each year from 2002 to 2007B the average cost per transformer.

Does this classification include all capital projects undertaken as a result of CIACs? If not, please explain the variance between the original budget for 2006 of $685,000 and the current forecast for 2006 of $1,640,000.

Please provide an updated report on the Distribution Reliability Initiative that was filed with the Board with the 2006 Capital Budget.

Has NP undertaken a review of the Asset Management System with regard to current performance, costs, and plans for the future? If so, please provide a report to the Board.

DATED at St. John’s, Newfoundland this 12th day of July 2006.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per __________________________
G. Cheryl Blundon
Board Secretary