

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: (i) its 2007 Capital Budget pursuant to s. 41(1) of the Act; (ii) its 2007 Capital Purchases and Construction Projects in excess of \$50,000 pursuant to s. 41(3)(a) of the Act; (iii) its Leases in excess of \$5,000.00 pursuant to s. 41(3)(b) of the Act; and (iv) its estimated contribution in aid of construction for 2006 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 2005.

REQUESTS FOR INFORMATION

ISLAND INDUSTRIAL CUSTOMERS

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| IC28-NLH | Has Hydro, within the last ten years, previously commissioned any studies to assess the condition of the Holyrood Generating Station and/or investigate redevelopment options for this site, including without limiting the foregoing, any studies on one or more of the 4 enumerated areas of study set out in the “Project Description” for the project at p. B-14? |
| IC29-NLH | With respect to “Operating Experience”, are there any records or reports summarizing “the frequency and severity of operating problems and failures” that are said to have been increasing in recent years? |
| IC30-NLH | How will the proposed Holyrood Condition Assessment be coordinated with Hydro planning for future new power generation from sources other than Holyrood? |
| IC31-NLH | What has been the lost time or lost opportunity for each Unit, by year for the past 7 years due to operating problems or failures? What root causes were identified for these operating problems and failures? What systemic issues have already been able to be identified, even without the proposed Condition Assessment? |
| IC32-NLH | Will the proposed study include detailed engineering estimates for proceeding with items 2, 3 and 4 identified in the “Project Description”? |
| IC33-NLH | Have any maintenance costs studies been conducted to compare the results for Holyrood to similar facilities operated by other utilities? Has any benchmarking been undertaken? |

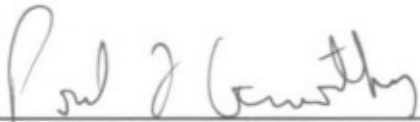
- IC34-NLH Has there been consideration as to what extent the other capital projects proposed for Holyrood (for instance B-16 Upgrade Unit No. 3 Turbine/Generator; B-18 Water Treatment Pilot Plant; B-22 Upgrade Unit 3 Air Preheater Steam Condensate System) will result in “thrown away” costs, depending on the results of the Holyrood Condition Assessment? Provide particulars of any such costs.
- IC35-NLH Has Hydro previously commissioned any studies to assess the condition of the Hardwoods and/or Stephenville Gas Turbines and/or investigate redevelopment options for these sites?
- IC36-NLH With respect to “Operating Experience” for the project at p. B-34, produce any records or reports summarizing operating problems that are said to have been “dramatically increasing” in recent years?
- IC37-NLH For how long has Hydro been aware that the original equipment manufacturer has stopped manufacturing some components and is only providing limited servicing on the gas turbines? Has Hydro been confronted with the need for a replacement component or service that could not be provided by the manufacturer, and if so how was this resolved? Has Hydro investigated whether other sources of replacement components and/or service are available?
- IC38-NLH Has there been any assessment of the continuing need for both the gas turbines “for voltage support and supplying peak loads on the transmission system”, in light of the shut down of the Stephenville paper mill?
- IC39-NLH Has there been consideration as to what extent the capital project for replacement of fuel piping will result in “thrown away” costs, depending on the results of the Condition Assessments?
- IC40-NLH Provide all available information relative to soil conditions at the site of the Hardwoods and Stephenville Gas Turbines as requested in IC-13. With reference to Hydro’s response to IC-13, page 1, lines 15-18, is the condition of above ground steel structures predictive of below-ground corrosion?
- IC41-NLH Indicate the specific dates on which the photographs included in the answer to IC8-NLH were taken and for what purpose they were taken.
- IC42-NLH Indicate the specific wording of the extract from the Certificate of Approval attached to the answer to IC-10 which supports Hydro’s assertion that Hydro is in violation of the Regulations. Indicate the source of the ammonia, the permitted level under regulation and why the presence of ammonia was not detected at any earlier time. Further to the request made in IC-10 and Hydro’s response, please confirm that the Certificate of Approval provided represents all correspondence with any environmental authority within the past five years related to the discharge of waste water streams at Holyrood.

- IC43-NLH Confirm that there are no written guidelines on the use of snowmobiles and ATV's as appears from the answer to IC-19.
- IC44-NLH Is it the practice, as appears from item 6 on p. F-13, that Senior Management reviews and revises capital budget items after approval by the Board of Commissioners of Public Utilities?
- IC45-NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, provide a copy of the Hydro internal discussion paper prepared following discussions with APTEC and Bechtel in 1992?
- IC46-NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, provide DAFOR for the period 1986-1995 (as has been provided for 1996-2006).
- IC47-NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, the 2006 "spike" in DAFOR was attributed to a failure in Unit 2. What was the cause or primary causes of the DAFOR "spikes" in 1997, 1999 and 2002?
- IC48-NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, has there been any assessment by Hydro, preliminary or otherwise, to distinguish between which Holyrood components it is proposed be subjected to an EPRI Level 2 assessment and those it is proposed be subjected to EPRI Level 3 assessment?
- IC-49 NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, is it being proposed that major equipment which has been or will have been recently replaced (for instance, Units 1 and 2 stack liners in 2002/05 and Unit 2 high temperature superheater in 2006/07) will need to be assessed at EPRI Level 2 or EPRI Level 3?
- IC-50 NLH What capital cost savings are expected to be achieved by performing the Holyrood Condition Assessment in 2007 as proposed?
- IC-51 NLH With reference to the Technical Conference on Project B-14 Holyrood Condition Assessment, the \$3.3 million Project Cost is said to be based on a similar assessment project undertaken by another utility. Was the similar assessment project a single-stage, one-year project as is being proposed by Hydro for the Holyrood Condition Assessment, or a multi-stage, multi-year project? Is Hydro aware of any less-costly condition assessment models implemented by other utilities?

- IC-52 NLH With reference to the 0.4% improvement in the efficiency of the Unit 3 steam turbine which it is asserted will be achieved by the proposed Unit 3 upgrade (Section H, Tab 1 of Capital Budget Application) and which is said to have been identified by a steam path audit, is that degree of improvement within the existing margin of variability in the efficiency of Unit 3 under actual operating conditions?
- IC-53 NLH It is suggested (at page 8, Section H, Tab 1 of Capital Budget Application) that the 0.4% increase “will yield approximately \$167,000 in 2007 and continue”. Table 9b demonstrating the cumulative net worth of the Unit 3 upgrade contains the following “Assumptions & Notes:” “Fuel savings on increased efficiency is 0.4%”. What evidence or information does Hydro have to support the assumption that a 0.4% increase in efficiency in the steam turbine, as identified by a steam path audit, will translate into actual fuel savings of 0.4%, year over year?
- IC-54 NLH With respect to Project B-22, Upgrade Unit 3 Air Preheater Steam Condensate System, how was the fuel savings estimate of \$160,000 per year arrived at? What fuel savings per year have been measurably achieved by the similar modifications of Units 1 and 2?
- IC-55 NLH With reference to Hydro’s response to PUB 39.0 NLH, why has the GAS Turbine Station Log History for 2006 not been provided for Hardwoods (as it has been for Stephenville per Hydro’s response to PUB 40.0 NLH)? What is the explanation for the missing Hardwoods GAS Turbine Station Log History for 2001, 2003 and 2004? Why has the Work Order History for Hardwoods not been provided (as it has been for Stephenville per Hydro’s response to PUB 40.0 NLH)?
- IC-56 NLH With reference to Hydro’s response to IC-6 NLH, page 1, lines 22-25, what is the total cost of the damages to motor vehicles reported?
- IC-57 NLH With reference to Hydro’s response to IC-6 NLH, page 1, line 27 and to IC-7 NLH, page 1, line 25, are both the Upper Salmon Access Road and the Burnt Dam Access Road 48 km long?
- IC-58 NLH With reference to Hydro’s response to IC-27 NLH, page 3, lines 5-6, provide a copy of the ranking of all lines and of the referenced inspection schedule?
- IC-59 NLH With reference to Hydro’s response to IC-27 NLH, page 4, lines 27-29, and page 6, lines 26-28, provide a copy of the data analysis and the recommendations of Engineering to Operations based on the 2005 inspection results.

IC-60 NLH With reference to Hydro's response to IC-27 NLH, page 7, line 10, the Inspection Reports for each line inspected in the 2005 inspection year were requested. Why has only the Inspection Report for TL 201 been provided in response (reports provided for other lines are WPLM Recommended Action Report, not Inspection Reports)?

DATED at St. John's, Newfoundland and Labrador this 8th day of September, 2006.



Paul L. Coxworthy
STEWART MCKELVEY
Solicitors for the Island Industrial Customers

Whose address for service is:
Suite 1100, Cabot Place
100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5C3

Telephone: 709.722.4270
Telefax: 709.722.4565
e-mail: pcoxworthy@smss.com



Joseph S. Hutchings, QC
POOLE ALTHOUSE
Solicitors for the Island Industrial Customers

Whose address for service is:
Western Trust Building
49 – 51 Park Street
P.O. Box 812
Corner Brook, NL A2H 6H7

Telephone: 709.637.6425
Telefax: 709.634.8247
e-mail: jhutchings@pa-law.ca

TO: The Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's NL A1A 5B2

Attention: Board Secretary

TO: Newfoundland & Labrador Hydro
P.O. Box 12400
500 Columbus Drive
St. John's NL A1B 4K7

Attention: Geoffrey P. Young, Legal Counsel