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NEWFOUNDLAND POWER
A FORTIS COMPANY

HAND DELIVERED

September 25, 2017

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 – 2017 General Rate Application

Please find enclosed the original and 13 copies of Newfoundland Power's Requests for Information NP-NLH-001 to NP-NLH-167 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

Enclosures

c. Tracey Pennell
Newfoundland and Labrador Hydro

PaulCoxworthy
Stewart McKelvey

Senwung Luk
Olthuis, Kleer, Townshend LLP

Dennis Browne, QC
Browne Fitzgerald Morgan Avis

Van Alexopoulos
Iron Ore Company of Canada

Newfoundland Power Inc.
55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6
PHONE (709) 737-5609 • FAX (709) 737-2974 • **ghayes@newfoundlandpower.com**

IN THE MATTER OF the Electrical Power Control Act, 1994, SNL 1994, Chapter E-5.1 and the Public Utilities Act, RSN 1990, Chapter P-47 (the Act);

AND IN THE MATTER OF a General Rate Application (the Application) by Newfoundland and Labrador Hydro to establish customer electricity rates for 2018 and 2019.

Requests for Information by
Newfoundland Power Inc.

NP-NLH-001 to NP-NLH-167

September 25, 2017

Requests for Information

Reference: **Application**

NP-NLH-001 Please provide a copy of Hydro's Quarterly Inter-Affiliate Transactions Report for the Period Ended June 30, 2017. (Volume I (1st Revision), Application, Page 2, Paragraph 4(b))

Reference: **Volume I (1st Revision), Chapter 1: Corporate Overview**

NP-NLH-002 What role does Hydro expect the Public Utilities Board to have with regards to an open access transmission tariff for Hydro and for Nalcor? (Volume I (1st Revision), Chapter 1: Corporate Overview, Page 1.10, Lines 5-8)

NP-NLH-003 When does Hydro expect to introduce and implement an open access transmission tariff? (Volume I (1st Revision), Chapter 1: Corporate Overview, Page 1.10, Lines 10-13)

NP-NLH-004 Please identify the entity responsible for determining the costs to use the Muskrat Falls Project transmission assets for off-island purchases and explain how those costs are to be determined and approved. (Volume I (1st Revision), Chapter 1: Corporate Overview, Page 1.10, Lines 19-20)

NP-NLH-005 Based on Hydro's current information and understanding of potential rate impacts leading up to and following interconnection with Muskrat Falls, please complete the following table identifying projected domestic customer rate changes. Please indicate all material assumptions. (Volume I (1st Revision), Chapter 1: Corporate Overview)

Projected Domestic Customer Rate Changes (2018 to 2022) Percent										
Anticipated Effective Date										
Projected Percentage Increase										
Cumulative Rate Change										

NP-NLH-006 How does Hydro plan to educate and inform customers and stakeholders on the projected rate impacts indicated in NP-NLH-005? Please provide any related communications plans. (Volume I (1st Revision), Chapter 1: Corporate Overview)

Reference: **Volume I (1st Revision), Chapter 2: Customers**

NP-NLH-007 Please provide copies of all CEA reports and data substantiating the CEA average for customer satisfaction of 55% for 2014 and 56% for 2016. (Volume I (1st Revision), Chapter 2: Customers, Page 2.2, Footnote 7)

NP-NLH-008 What cost has Hydro incurred since July 2016 to implement and provide after-hours customer support using a third-party vendor? (Volume I (1st Revision), Chapter 2: Customers, Page 2.6, Lines 17-18)

Reference: **Volume I (1st Revision), Chapter 3: Operations**

NP-NLH-009 Please complete the table below detailing Net FTEs for 2013 to 2019 forecast. (Volume I (1st Revision), Chapter 3: Operations, Page 3.4, Table 3-1)

Net FTEs								
	2013	2014	2015T	2015	2016	2017F	2018T	2019T
Hydro Based FTEs								
FTE time charged to Hydro								
FTE time charged by Hydro								
Net FTEs								

NP-NLH-010 Please complete the table below detailing FTEs for 2013 to 2019 forecast, including FTEs associated with Administration fees charged by Nalcor. (Volume I (1st Revision), Chapter 3: Operations, Page 3.4, Table 3-1)

FTEs Associated with Administrative Fees Charged by Nalcor								
	2013	2014	2015T	2015	2016	2017F	2018T	2019T
Net FTEs								
FTEs associated with Administration fees charged by Nalcor								
Net FTEs plus FTEs associated with Administration fees charged by Nalcor								

NP-NLH-011 Please provide net FTEs for each functional area shown in Schedule 3-X. (Volume I (1st Revision), Chapter 3: Operations, Page 3.4, Table 3-1)

NP-NLH-012 Please provide labour-related costs by each functional area in a similar format as Schedule 3-X. (Volume I (1st Revision), Chapter 3: Operations, Page 3.4, Table 3-1)

NP-NLH-013 Please complete the following table detailing Hydro's vacancies from 2013 to 2019 test year.

FTEs and Vacancies 2013 to 2019 Test Year								
	2013	**2014**	**2015T**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
Vacancies (A)								
FTEs (B)								
Vacancy rate (A / B)								

NP-NLH-014 Please complete the following table detailing Hydro's 2017 vacancies as of September 30, 2017.

FTEs and Vacancies As of September 30, 2017	
Vacancies (A)	
FTEs (B)	
Vacancy rate (A / B)	

NP-NLH-015 Hydro's total operating costs have increased from $123.9 million in 2016 to $145.3 million in the 2019 test year, or 17%. What is the percentage increase on an inflation-adjusted basis? In the response, please describe the basis of the inflation adjustment. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Table 3-17)

NP-NLH-016 On Page 3.34, Hydro states:

"Hydro's approved 2015 Test Year operating costs was $132.7 million, which included a disallowance of $6.8 million. As noted in Figure 3-2, using Hydro's 2015 Test Year (as submitted), forecast operating costs escalated using inflation would be $148.5 million in the 2019 Test Year.

Hydro's 2019 Test Year forecast is $145.3 million, which reflects Hydro's renewed focus and commitment to cost control."

Please explain why Hydro considers submitted 2015 test year costs before cost disallowances ordered by the Board to be relevant in evaluating cost control. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Lines 2-8)

NP-NLH-017 Please explain whether and, if so, how Hydro considers actual results when evaluating cost control. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Lines 2-8)

NP-NLH-018 What would forecast operating costs be in the 2019 test year if 2016 actual costs were escalated using inflation? (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Lines 2-8)

NP-NLH-019 In a figure similar to Figure 3-2, please graph (i) Hydro's operating costs from 2016 actual to 2019 test year and (ii) Hydro's operating costs from 2016 actual to 2019 pro forma, assuming only inflationary increases for the 2017 to 2019 pro forma period. (Volume I (1st Revision), Chapter 3: Operations, Page 3.35, Figure 3-2)

NP-NLH-020 Please provide the breakdown of the cost reductions of $7.5 million. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-021 Are the $7.5 million in cost reductions reflected in the 2017 to 2019 test year forecast? (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-022 Please provide the breakdown of the cost deferrals of $5.3 million. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-023 Are the $5.3 million in 2016 deferred costs spent, or forecast to be spent, in the 2017 forecast? (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-024 Does the 2017 forecast reflect "normalized levels" or does it also reflect the temporarily deferred costs from 2016? (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-025 Please explain why the $5.3 million in costs that were either deferred, or limited, were not sustainable. (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-026 What amount of the $10.4 million increase in costs from 2016 to 2017 forecast can be attributed to (i) the creation of a dedicated and separate executive team for Hydro and (ii) the establishment of separate support functions for Hydro? (Volume I (1st Revision), Chapter 3: Operations, Page 3.34, Footnote 72)

NP-NLH-027 Please provide a breakdown, by common service department, of the Nalcor Admin Fee for 2016 to 2019 test year. (Volume I (1st Revision), Chapter 3: Operations, Page 3.38, Table 3-20)

NP-NLH-028 Please provide a breakdown, by operating cost type, of the Nalcor Admin Fee for 2016 to 2019 test year. (Volume I (1st Revision), Chapter 3: Operations, Page 3.38, Table 3-20)

NP-NLH-029 Please provide a detailed calculation of the Hydro Admin Recovery for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast, and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Page 3.38, Table 3-20)

NP-NLH-030 Please provide a detailed explanation of how the Productivity Allowance for the 2018 and 2019 test years was established. (Volume I (1st Revision), Chapter 3: Operations, Page 3.38, Table 3-20)

NP-NLH-031 Please provide a detailed calculation of the Business System Fee for 2016 to 2019 test year. (Volume I (1st Revision), Chapter 3: Operations, Page 3.38, Table 3-20)

NP-NLH-032 Please provide a breakdown, by operating cost type, of the Information and Operations Technology costs for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast, and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Page 3.39, Table 3-22)

NP-NLH-033 Please provide a breakdown of additional information technology support costs included in Information and Operations Technology costs. (Volume I (1st Revision), Chapter 3: Operations, Page 3.40, Lines 2-3)

NP-NLH-034 Please provide any cost savings associated with the increase in Information and Operations Technology costs from 2016 to the 2019 test year. The response should include any forecast reduction in FTEs. (Volume I (1st Revision), Chapter 3: Operations, Page 3.39, Line 1, *et. seq.*)

NP-NLH-035 Please provide a breakdown of the Information and Operations Technology cost increases from 2016 to 2019 test year by: (i) operating costs associated with the ECC, and (ii) additional information technology support costs. (Volume I (1st Revision), Chapter 3: Operations, Page 3.40, Lines 2-3)

NP-NLH-036 Does Hydro have a detailed plan associated with the Business Systems Transformation Program? If so, please provide. If not, please explain the work processes that justify the Business System Fee costs from 2016 to 2019 test year. (Volume I (1st Revision), Chapter 3: Operations, Page 3.41, Line 5, *et. seq*.)

NP-NLH-037 Please provide any cost savings associated with the Business Systems Transformation Program from 2016 to the 2019 test year. The analysis should include any forecast reduction in FTEs. (Volume I (1st Revision), Chapter 3: Operations, Page 3.41, Line 5, *et. seq*.)

NP-NLH-038 Please provide a copy of Hydro's *Establishing a Robust Operational Philosophy and Enhancing Skills and Capabilities Relating to Systems Reliability and Analysis* report. (Volume I (1st Revision), Chapter 3: Operations, Page 3.6, Lines 1-2, Footnote 12)

NP-NLH-039 Please provide a revised *Table 3-2 End Consumer Performance* that includes the years 2007 – 2016. (Volume I (1st Revision), Chapter 3: Operations, Page 3.9, Table 3-2)

NP-NLH-040 Please explain if the End Consumer Reliability measure is Hydro's own reliability measure or if it is an established reliability measure used by other electric utilities in Canada. (Volume I (1st Revision), Chapter 3: Operations, Page 3.9, Footnote 27)

NP-NLH-041 How does Hydro's 2015 and 2016 End Consumer Performance for SAIDI and SAIFI compare to its reliability performance for the period 2007 – 2012? (Volume I (1st Revision), Chapter 3: Operations, Page 3.9, Lines 11-12)

NP-NLH-042 Please provide revised tables for *Table 3-2 End Consumer Performance* for the years 2007-2016 for each of (i) the Island Interconnected System, including both Newfoundland Power and Hydro customers, (ii) Hydro's rural interconnected customers, (iii) the Labrador Interconnected System, and (iv) Hydro's Rural Isolated Systems. (Volume I (1st Revision), Chapter 3: Operations, Page 3.9)

NP-NLH-043 Please provide revised tables for *Table 3-3 Transmission Performance (Planned and Forced Outages) – All Regions* for the years 2007-2016 for each of (i) the Island Interconnected System including both Newfoundland Power and Hydro customers, (ii) Hydro's rural interconnected customers, (iii) the Labrador Interconnected System, and (iv) Hydro's Rural Isolated Systems, that includes a comparison to the national CEA average. (Volume I (1st Revision), Chapter 3: Operations, Page 3.10, Table 3-3)

NP-NLH-044 Please provide a table that shows T-SAIFI and T-SAIDI with planned and unplanned outages shown separately for the years 2007-2016. (Volume I (1st Revision), Chapter 3: Operations, Page 3.10, Lines 6-7)

NP-NLH-045 Please provide revised tables for *Table 3-4 Distribution Performance (Planned and Forced Outages) – All Regions* for the years 2007-2016 for each of Hydro's (i) rural interconnected customers, (ii) Labrador Interconnected customers, and (iii) rural isolated customers, that includes a comparison to the national CEA average. (Volume I (1st Revision), Chapter 3: Operations, Page 3.10, Table 3-4)

NP-NLH-046 Please provide a revised table for *Table 3-5 Hydraulic Generation Performance* for the years 2007-2016 that includes a comparison to the national CEA average. (Volume I (1st Revision), Chapter 3: Operations, Page 3.11, Table 3-5)

NP-NLH-047 Please provide a revised table for *Table 3-6 Thermal Generation Performance* for the years 2007-2016 that includes a comparison to the national CEA average. (Volume I (1st Revision), Chapter 3: Operations, Page 3.12, Table 3-6)

NP-NLH-048 Please provide a revised table for *Table 3-7 Gas Turbine Performance to UFOP* for the years 2007-2016 for each of (i) the Hardwoods gas turbine, (ii) the Stephenville gas turbine, (iii) the Holyrood CT, and (iv) the Happy Valley gas turbine that includes a comparison to the national CEA average. (Volume I (1st Revision), Chapter 3: Operations, Page 3.12, Table 3-7)

NP-NLH-049 Please provide a detailed calculation that shows how Hydro determined its "reserve at criteria" of 13.3% in the 2015 test year and 12.8% in the 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Page 3.23, Lines 10-12)

NP-NLH-050 Please complete the table below detailing the forecast gas turbine and diesel production figures (GWh) provided in Table 3-16. (Volume I (1st Revision), Chapter 3: Operations, Page 3.25, Table 3-16)

Forecast Gas Turbine and Diesel Production 2015 Test Year to 2019 Test Year (GWh)						
	2015T	**2015**	**2016**	**2017F**	**2018T**	**2019T**
Reserve requirements						
Testing/exercising						
Other (please specify)						
Total						

NP-NLH-051 Please explain how Hydro calculated the gas turbine production decrease, in GWh, that results from the introduction of transmission line TL267. (Volume I (1st Revision), Chapter 3: Operations, Page 3.25, Lines 13-18)

NP-NLH-052 Please provide a copy of Hydro's Capacity Assistance Report 2016-2017 which was filed with the Board on April 17, 2017. (Volume I (1st Revision), Chapter 3: Operations, Page 3.26, Footnote 54)

NP-NLH-053 Please identify and quantify the costs of any capacity assistance agreements that will continue to be in effect following the interconnection of the Maritime Link and the interconnection of the Labrador Island Link. (Volume I (1st Revision), Chapter 3: Operations, Page 3.25, Lines 20-22)

NP-NLH-054 Please provide an update on Hydro's review of its planning criteria and an update on when Hydro plans to file further information relating to its planning criteria. (Volume I (1st Revision), Chapter 3: Operations, Page 3.27, Line 26, to Page 3.28 Line 2)

NP-NLH-055 Please provide a cost breakdown of the Rural Deficit for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast, and 2018 and 2019 test years in a format similar to Table 1 of Hydro's Rural Deficit Annual Report dated August 3, 2017. (Volume I (1st Revision), Chapter 3, Operations, Page 3.31, Lines 20-25)

NP-NLH-056 Please complete the table below. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Rural Deficit by Hydro Rural System ($000s)									
	2012	**2013**	**2014**	**2015T**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
L'Anse Au Loup									
Island Interconnected									
Island Isolated									
Labrador Isolated									
Total									

NP-NLH-057 Please complete the table below providing the cost recovery percentages (i.e., revenue as a percentage of cost to serve) for each Hydro Rural System. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Rural Deficit by Hydro Rural System (% Cost Recovery)									
	2012	**2013**	**2014**	**2015T**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
L'Anse Au Loup									
Island Interconnected									
Island Isolated									
Labrador Isolated									
Total									

NP-NLH-058 Please complete the table below providing the energy sales for each Hydro Rural System. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Energy Sales by Hydro Rural System (MWh)								
	2012	**2013**	**2014**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
Island Isolated								
Island Interconnected								
L'Anse Au Loup								
Labrador Isolated								
Total								

NP-NLH-059 Please complete the table below providing the average kWh usage per customer for each Hydro Rural System. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Average kWh Usage per Customer by Hydro Rural System								
	2012	**2013**	**2014**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
Island Isolated								
Island Interconnected								
L'Anse Au Loup								
Labrador Isolated								
Total								

NP-NLH-060 Please complete the table below providing the conservation and demand management expenditures for each Hydro Rural System. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Conservation and Demand Management Expenditures by Hydro Rural System ($000s)						
Year	**L'Anse Au Loup**	**Island Isolated**	**Island Interconnected**	**Labrador Isolated**	**Labrador Interconnected**	**Total**
2012						
2013						
2014						
2015						
2016						
2017F						
2018T						
2019T						
Total						

NP-NLH-061 Please complete the table below providing the conservation and demand management savings for each Hydro Rural System. (Volume I (1st Revision), Chapter 3: Operations, Page 3.31, *et. seq.*)

Conservation and Demand Management Savings by Hydro Rural System (MWh)						
Year	**L'Anse Au Loup**	**Island Isolated**	**Island Interconnected**	**Labrador Isolated**	**Labrador Interconnected**	**Total**
2012						
2013						
2014						
2015						
2016						
2017F						
2018T						
2019T						
Total						

NP-NLH-062 For each initiative intended to reduce the cost of providing service to rural customers, please provide an estimate of the energy and cost savings achieved for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. The cost savings should be net of any costs required to implement the initiative and any reduced revenue as a result of the initiative. (Volume I (1st Revision), Chapter 3: Operations, Page 3.32, Line 6, *et. seq.*)

NP-NLH-063 Please provide a table that shows Production costs (excluding fuel) associated with each of Hydro's (i) Hardwoods gas turbine, (ii) Stephenville gas turbine, (iii) Holyrood CT, and (iv) Happy Valley gas turbine over the years 2007-2017. (Volume I (1st Revision), Chapter 3: Operations, Page 3.39, Lines 8-9)

NP-NLH-064 Is the position of Manager, Interconnection & Integration, filled? If so, when was it filled? (Volume I (1st Revision), Chapter 3: Operations, Page 3.43, Line 22, to Page 3.44, Line 6)

NP-NLH-065 Please identify all activities necessary for the successful integration and operation of the Labrador Island Link, Labrador Transmission Assets, and Maritime Link and include the respective owners and planned completion dates for each activity. (Volume I (1st Revision), Chapter 3: Operations, Page 3.44, Lines 1-5)

NP-NLH-066 Please fully explain the implications of the standards or requirements of each of the North American Electric Reliability Corporation (NERC), Northeast Power Coordinating Council (NPCC), and Federal Energy Regulatory Commission (FERC) on the ability to import and export electricity between the Island Interconnected System and other North American jurisdictions. (Volume I (1st Revision), Chapter 3: Operations, Page 3.45, Lines 10-12)

NP-NLH-067 Please provide a calculation of total Isolated Systems diesel fuel for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. The calculation should include litres of diesel fuel and the price per litres for diesel fuel. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-VIII)

NP-NLH-068 Travel costs have increased from $2.0 million in 2016 to $2.8 million in the 2019 test year, or 40%. Please fully explain the reasons for this increase. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

NP-NLH-069 Please provide a breakdown of travel costs by functional area for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

NP-NLH-070 Insurance costs have increased from $2.5 million in 2016 to $3.4 million in the 2019 test year, or approximately 35%. Please fully explain the reasons for this increase. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

NP-NLH-071 Please complete the table below detailing Professional Services costs. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

Professional Services Costs ($000s)						
	2015T	2015	2016	2017F	2018T	2019T
Consultants						
GRA and Board related costs						
Software costs						
Audit and legal						
Cost recoveries						
Other						
Total						

NP-NLH-072 Please detail Professional Services costs by functional area for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

NP-NLH-073 Please provide a breakdown of miscellaneous costs by functional area for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-IX)

NP-NLH-074 Engineering Services costs have increased from $2.4 million in 2016 to $5.0 million in the 2019 test year, or over 100%. Please fully explain the reasons for this increase. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

NP-NLH-075 Corporate Services and Regulatory Affairs costs have increased from $17.8 million in 2016 to $21.8 million in the 2019 test year, or 22%. Please fully explain the reasons for this increase. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

NP-NLH-076 Please provide a further functional breakdown of Corporate Services and Regulatory Affairs costs for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. This should include, but not be limited to, separate line items for Regulatory Affairs, Corporate Relations, and Human Resources and Organizational Effectiveness. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

NP-NLH-077 Please provide a breakdown of Corporate Services and Regulatory Affairs costs by cost type for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

NP-NLH-078 Please complete the table below detailing Financial Services costs. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

Financial Services Costs ($000s)						
	2015T	2015	2016	2017F	2018T	2019T
Finance function						
Warehouse function						
Other (please specify)						
Total						

NP-NLH-079 Please provide a breakdown of Financial Services costs by cost type for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 3: Operations, Schedule 3-X)

NP-NLH-080 Please reconcile the difference between Newfoundland Power's generation credit of 118,077 kW shown in Table 3-13 to the generation credit of 118,054 kW stated in **Section 5.6.5 Generation Credit.** (Volume I (1st Revision), Chapter 3: Operations, Page 3.23, Table 3-13 and Chapter 5: Rates and Regulations, Page 5.21, Lines 14-17)

NP-NLH-081 Please provide copies of all Power Purchase Agreements of Hydro in effect with suppliers on the Island Interconnected System and Hydro Rural Systems.

Reference: Volume I (1st Revision), Chapter 4: Finance

NP-NLH-082 Please detail the amounts included in Hydro's calculation of (i) average rate base and (ii) revenue requirement related to Holyrood Thermal Generating Station inventory for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 4: Finance, Page 4.11, Line 12, *et. seq.*)

NP-NLH-083 Please complete the table below detailing the impact on Hydro's earnings related to the estimated $6.8 million of inventory of spare parts to service the Holyrood plant assuming (i) the Holyrood Inventory Allowance is not approved by the Board and (ii) Holyrood is converted to synchronous condenser mode by March 31, 2021. (Volume I (1st Revision), Chapter 4: Finance, Page 4.11, Line 12, *et. seq.*)

Holyrood Inventory Impact on Earnings ($000s)				
	2018T	2019T	2020	2021
Impact on earnings				

NP-NLH-084 Please provide a breakdown of Other Income and Expense for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-I)

NP-NLH-085 Please provide a breakdown of "Depreciation on Assets Excluded from Rate Base" for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-II, Page 5 of 9)

NP-NLH-086 Regarding Schedule 4-II, please reconcile the changes to the Hydraulic balance for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-II, Page 6 of 9, Line 2)

NP-NLH-087 Please provide the balances as of September 30, 2017 for Hydro's three supply cost deferral accounts: (i) Isolated Systems Supply Cost, (ii) Energy Supply Costs Deferral, and (iii) Holyrood Conversion. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-V, Lines 6-8)

NP-NLH-088 Please confirm that the balances shown in Schedule 4-V for Hydro's three supply cost deferral accounts relate only to 2017 forecast activity. Please provide reconciling detail if it cannot be confirmed. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-V, Lines 6-8)

NP-NLH-089 Please provide a variance analysis of Hydro's Statement of Income and Retained Earnings between Hydro's 2016 forecast included in its Amended 2013 GRA and 2016 actuals. The variance analysis should be in a format similar to Schedule 4-II, Page 1 of 9.

NP-NLH-090 Please provide a variance analysis of Hydro's Total Operating Expenses by Cost Type between Hydro's 2016 forecast included in its Amended 2013 GRA and 2016 actuals. The variance analysis should be in a format similar to Schedule 3-IX, Page 1 of 1.

NP-NLH-091 Please reconcile any differences between the capital expenditure included in rate base as shown in Schedule 4-II, Page 5 of 9, and the capital expenditure included in Hydro's 2018-2022 Capital Plan filed with the Board on July 27, 2017.

NP-NLH-092 Please complete the following table providing a summary of annual capital expenditures for 2012 through 2016.

	Capital Expenditures					
		2012	**2013**	**2014**	**2015**	**2016**
	Approved Capital Budget					
	Order No.	P.U. 2 & 5 (2012)	P.U. 2 & 4 (2013)	P.U. 42 (2013)	P.U. 50 (2014)	P.U. 33 (2015)
A	Approved Budget Amount ($000)					
B	Actual Expenditure ($000)					
C	Carryover to Future Years ($000)					
	Percent Complete (B/A*100%)					
	Supplemental Capital Expenditures					
D	Total Supplemental Approvals ($000)					
E	Actual Supplemental Expenditure ($000)					
	Percent Complete (E/D*100%)					

NP-NLH-093 How many months of actual results are included in Hydro's 2017 financial forecast? (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-I to 4-V)

NP-NLH-094 For each of Finance Schedules I, II, III, IV and V, please extend to include 2020 and 2021 forecasts. Please indicate all material assumptions.

Reference: Volume I (1st Revision), Chapter 5: Rates & Regulations

NP-NLH-095 Please provide a schedule with estimated beginning and end dates for Hydro's current and upcoming regulatory applications and processes relating to customer rates for the 2017-2020 period. The schedule should include, but not be limited to: (i) Hydro's 2017 General Rate Application, (ii) Hydro's 2018 Cost of Service and Rate Design Methodology Review, (iii) Hydro's 2019 Application to recover Muskrat Falls supply costs, and (iv) Hydro's 2019 General Rate Application. (Volume I (1st Revision), Chapter 5: Rates and Regulation, Page 5.4, Lines 7-15)

NP-NLH-096 On page 5.11, Hydro states: *"The effect of the proposed change is an increase in the Island Interconnected System revenue requirement related to common assets of approximately $875,000 in 2019 and an equal decrease in specifically assigned costs. The customer impact is an increase to Newfoundland Power of $409,000 (0.1%) and a decrease to the Island Industrial class of $409,000 (1.0%)"* Please provide detailed calculations supporting these figures. (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.11, Lines 1-10)

NP-NLH-097 Please provide a detailed revenue requirement analysis of Hydro's proposed January 1, 2018 interim rate increase, consistent with Schedule 4-I of Hydro's evidence. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-I, Page 1 of 1)

NP-NLH-098 Based on Hydro's filing, by what date would customer rates based on a 2019 test year need to be implemented to avoid a revenue deficiency for 2018? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Line 1, *et. seq.*)

NP-NLH-099 Based on Hydro's filing, what would Hydro's forecast 2018 revenue deficiency be if customer rates based on a 2019 test year were implemented on July 1, 2018? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Line 1, *et. seq.*)

NP-NLH-100 What fuel forecast is Hydro proposing to use for the January 1, 2018 interim rate increase? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Line 1, *et. seq.*)

NP-NLH-101 Please provide Hydro's latest No. 6 and No. 2 fuel price forecasts.

NP-NLH-102 In a table similar to Table 1 in Hydro's letter to the Board dated October 28, 2015, please provide a comparison between the 2018 and 2019 test year fuel costs in the Application and the 2018 and 2019 test year fuel costs based on Hydro's latest fuel price forecast.

NP-NLH-103 In the same format as Table 5-1, please provide the required increase in customer billings to recover 2018 and 2019 revenue requirement based on Hydro's latest fuel forecasts. (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Table 5-1)

NP-NLH-104 If Hydro's filing was revised based on the latest fuel forecasts, by what date would customer rates based on a 2019 test year need to be implemented to avoid a revenue deficiency for 2018? (Volume I 1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Line 1, *et. seq.*)

NP-NLH-105 If Hydro's filing was revised based on the latest fuel forecasts, what would Hydro's forecast 2018 revenue deficiency be if customer rates based on a 2019 test year were implemented on July 1, 2018? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.14, Line 1, *et. seq.*)

NP-NLH-106 Is Hydro aware of any regulatory precedent for charging a set monthly amount to recover a historical revenue deficiency? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20, Lines 4-6)

NP-NLH-107 Please complete the following table, providing for different amortization periods of the forecast 2018 revenue deficiency. (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20, Lines 4-6)

Hydro **Forecast 2018 Revenue Deficiency** **Monthly Charge**					
Amortization period (months)	20	24	36	48	60
Monthly charge ($)	902,741				
2019 Test Year annualized amount ($)					

NP-NLH-108 Will there be a shortfall in revenue requirement associated with interim rates for Labrador Interconnected customers? If so, how is Hydro proposing to recover this shortfall? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20, Lines 4-6)

NP-NLH-109 Please provide all documentation supporting Hydro's anticipated rate increase date of September 1, 2020. (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20, Footnote 30)

NP-NLH-110 What uncertainties exist, if any, with respect to the projected rate change date of September 1, 2020? (Volume I (1st Revision), Chapter 5: Rates and Regulations, Page 5.20, Footnote 30)

Reference: Volume I (1st Revision), Chapter 6: Supplemental Evidence

NP-NLH-111 The *Electrical Power Control Act, 1994* states:

"It is declared to be the policy of the province that… the rates to be charged, either generally or under specific contracts, for the supply of power within the province… should be established, whenever practicable, based on forecast costs for that supply of power for 1 or more years." (*Electrical Power Control Act, 1994*, Section 3(a)(ii))

The *Electrical Power Control Act, 1994* also states:

"It is declared to be the policy of the province that all sources and facilities for the production, transmission and distribution of power in the province should be managed and operated in a manner… that would result in power being delivered to consumers in the province at the lowest possible cost consistent with reliable service." (*Electrical Power Control Act, 1994*, Section 3(b)(iii))

Please explain how Hydro's proposal to use off-island supply sources in 2018 and 2019 to mitigate customer rates beginning in 2020 is consistent with the power policy of the Province. (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.2, Lines 1-9)

NP-NLH-112 Is Hydro expecting to receive an Order in Council to use off-island supply sources in 2018 and 2019 to mitigate customer rates beginning in 2020? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.2, Lines 1-9)

NP-NLH-113 What are Hydro's current estimates for depreciation and interest expense on the Labrador Island Link and Labrador Transmission Assets during 2018 and 2019? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.2, Line 19, to Page 6.3, Line 2)

NP-NLH-114 What alternatives did Hydro consider when developing the Off-Island Purchases Deferral Account? Please identify the advantages and disadvantages of each alternative. (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Pages 6.3, Line 4, *et. seq.*)

NP-NLH-115 What is Hydro's current estimate of the balance that may accumulate in the Off-Island Purchases Deferral account by December 31, 2018 and December 31, 2019? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Pages 6.3, Line 4, *et. seq.*)

NP-NLH-116 How much energy does Hydro expect will be available from Recapture Energy to reduce production at Holyrood? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.5, Lines 1-17)

NP-NLH-117 What are Hydro's current estimates for operating and maintenance costs to use the Labrador Island Link and Labrador Transmission during 2018 and 2019? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.5, Lines 11-17)

NP-NLH-118 How does the Schedule 6-I, Off-Island Purchases Deferral Account give effect to Hydro's proposal that the balance in the proposed Off-Island Purchases Deferral Account accumulate interest? (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.7, Lines 17-23)

NP-NLH-119 Please provide a detailed illustrative example of how the Off-Island Purchases Deferral Account is forecast to operate in conjunction with the operation of the RSP and Hydro's supply cost variance accounts for the 2017 forecast, the 2018 and 2019 test years and 2020 forecast. The example should include Hydro's latest input estimates. (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.3, Line 4, *et. seq*.)

NP-NLH-120 Please provide a breakdown of all costs included in revenue requirement associated with interconnection to the North American grid for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and the 2018 and 2019 test years. For example, costs associated with (i) establishing the NLSO and (ii) capital expenditure that otherwise would not have been required. Please specify what costs are proposed to be included as part of the Off-Island Purchases Deferral Account. (Volume I (1st Revision), Chapter 6: Supplemental Evidence, Page 6.3, Line 4, *et. seq.*)

Reference: Volume II (1st Revision), Exhibit 1: Provincial Electrical System

NP-NLH-121 Please update Schedules I, II, and IV to show the electrical system configurations, and applicable plant assignments, that will be in place for the 2019 test year. The update should include, for example, the Muskrat Falls to Happy Valley Interconnection project proposed in Hydro's 2018 Capital Budget Application.

Reference: Volume II (1st Revision), Exhibit 2: Organizational Responsibility

NP-NLH-122 Please explain the role the Public Utilities Board will have in the regulation of the NLSO. (Volume II (1st Revision), Exhibit 2: Organizational Responsibility, Page 4, Lines 5-8)

Reference: **Volume II (1st Revision), Exhibit 3: Customer Service Roadmap Update**

NP-NLH-123 Please provide a copy of the "target operating model rapid assessment" completed by Ernst & Young regarding Hydro's Customer Service Roadmap and the cost of completing that assessment. (Volume II (1st Revision), Exhibit 3: Customer Service Roadmap Update, Page 1, Lines 13-14)

Reference: **Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report**

NP-NLH-124 What further work is Hydro intending to complete to address each of the "Other Concerns and Potential Issues" listed on Page 9 of the report? (Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report, Page 9, Lines 5-26)

NP-NLH-125 Please provide a sample of a customer bill from Ontario showing, among other charges, information concerning subsidization. (Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report, Page 4, Lines 10-12)

NP-NLH-126 Please outline the findings for the utilities surveyed in Nova Scotia, New Brunswick and Quebec, and explain why utilities from Prince Edward Island, Saskatchewan and Alberta were not included in the survey. (Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report, Page 4, Footnote 9)

NP-NLH-127 Please compare the impact of the Rural Deficit on customer rates in Newfoundland and Labrador to similar subsidies provided in other Canadian jurisdictions. (Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report, Page 10, Lines 7-8)

Reference: **Volume II (1st Revision), Exhibit 5: Intercompany Transactions Costing Guidelines**

NP-NLH-128 Please complete the table below providing charges from regulated Hydro to affiliates and charges to regulated Hydro from affiliates from 2013 to 2019 test year. (Volume II (1st Revision), Exhibit 5: Intercompany Transactions Costing Guidelines)

Costs Charged to/from Regulated Hydro ($000s)				
	Charges to Affiliates		**Charges from Affiliates**	
	Labour	**Non-Labour**	**Labour**	**Non-Labour**
2013				
2014				
2015 Test Year				
2015				
2016				
2017 Forecast				
2018 Test Year				
2019 Test Year				

NP-NLH-129 Please complete the table below detailing the cost to regulated Hydro for common services shared among all Nalcor lines of business. (Volume II (1st Revision), Exhibit 5: Intercompany Transactions Costing Guidelines)

Common Services Costs ($000s)								
	2013	**2014**	**2015T**	**2015**	**2016**	**2017F**	**2018T**	**2019T**
Net costs incurred in Hydro[1]								
Charges from Nalcor[2]								
Total								

[1] This would include gross shared costs incurred in Hydro less the Hydro Admin Recovery
[2] This would include items such as the Nalcor Admin Fee and the Business Admin Fee

NP-NLH-130 For 2013 to 2019 test year, please provide a breakdown of the charges from Nalcor to regulated Hydro that can be attributed to recovery of the capital investments of Nalcor, including return on equity. (Volume II (1st Revision), Exhibit 5: Intercompany Transactions Costing Guidelines)

Reference: **Volume II (1st Revision), Exhibit 7: Annual Reports on Key Performance Indicators**

NP-NLH-131 Please provide one table showing: (i) Hydro's 2017 targets for its 14 Key Performance Indicators, as listed in the table on page 110 of Exhibit 7, and (ii) 2016 results for those 14 Key Performance Indicators. (Volume II (1st Revision), Exhibit 7: Annual Reports on Key Performance Indicators, Page 110 of 168)

NP-NLH-132 Please reconcile the statement that "Hydro's overall transmission T-SARI for 2016 was 270 minutes per interruption" with the information provided in the table on Page 110 of Exhibit 7, which indicates the 2016 result for T-SARI was 112 minutes per outage. (Volume II (1st Revision), Exhibit 7: Annual Reports on Key Performance Indicators, Page 122 of 168, Line 12)

NP-NLH-133 Please provide a revised table of "Underfrequency Load Shedding Number of Events," as shown on Page 137 of Exhibit 7 that includes the number of events per year for the years 2007-2016. (Volume II (1st Revision), Exhibit 7: Annual Reports on Key Performance Indicators, Page 137 of 168)

NP-NLH-134 In relation to Transmission SAIDI, SAIFI, and SARI, Hydro states: *"The 2016 targets for forced outage performance were not set."* Please explain how this statement relates to the targets provided for T-SAIDI, T-SAIFI and T-SARI in the table on Page 110 of Exhibit 7. (Volume II (1st Revision), Exhibit 7: Annual Reports on Key Performance Indicators, Appendix A: Rationale for Hydro's 2016 KPI Targets, Page 150 of 168)

Reference: **Volume II (1st Revision), Exhibit 10: Average Rate Base Methodology**

NP-NLH-135 If there is no impact on Hydro's GRA as a result of the recommendation, why is Hydro proposing to change its current average rate base methodology at this time? (Volume I (1st Revision), Chapter 4: Finance, Page 4.12, Line 5, *et. seq.*)

NP-NLH-136 In Order No. P.U. 49 (2016), the Board stated that *"…in normal circumstances, the forecast rate base calculations for the test year would include forecast opening and closing balances reflecting assets expected to be in service at that time. However, as discussed previously, the Board does not consider this Amended Application and the associated proceeding to be normal."* (Page 63, lines 17-20)

In light of this statement, why does Hydro consider the recommended approach for its average rate base methodology to be consistent with the Board's direction regarding the inclusion of the Holyrood gas turbine in 2015 test year average rate base for purpose of rate setting beginning in

2016? (Volume I (1st Revision), Chapter 4: Finance, Page 4.12, Footnote 35)

NP-NLH-137 Please explain the significance to Hydro's GRA, which is based on a forecast 2018/2019 test period, of CA Energy's analysis in Tables 5 and 6, which appears to be based on historical test periods. (Volume II (1st Revision), Exhibit 10: Average Rate Base Methodology, Tables 5 and 6)

Reference: Volume II, Exhibit 11: Depreciation Study

NP-NLH-138 Please detail the impact on revenue requirement for the 2018 and 2019 test years by each recommendation of the depreciation study. (Volume I (1st Revision), Chapter 4: Finance, Page 4.15, Line 14 to Page 4.16, Line 11)

NP-NLH-139 Please provide the incremental impact on 2018 and 2019 test year depreciation expense of the March 31, 2021 truncation date with respect to Holyrood assets. The impact provided should represent the difference between the proposed truncation date methodology, compared to preparing the calculations using the average remaining service lives of the various assets. (Volume I (1st Revision), Chapter 4: Finance, Page 4.3, Table 4-2)

NP-NLH-140 Please describe the factors that could affect the Holyrood production retirement date of March 31, 2021. (Volume I (1st Revision), Chapter 4: Finance, Page 4.11, Lines 11-12)

NP-NLH-141 Please provide the specific impact on test year revenue requirements related to depreciation expense for 2018 and 2019, if the Holyrood Generating Station assets subject to early retirement had the following different truncation dates:

- December 31, 2021
- December 31, 2022
- December 31, 2023
- December 31, 2024
- December 31, 2025

NP-NLH-142 Please provide detailed depreciation schedules for the depreciation expense for the approved 2015 test year, 2015 and 2016 actuals, 2017 forecast and 2018 and 2019 test years. The schedule for each year should include total depreciable assets per asset group and rates applied to calculate depreciation expense. (Volume I (1st Revision), Chapter 4: Finance, Schedule 4-I, Page 1 of 1)

NP-NLH-143 Please provide all studies and any other relevant materials that were used by Concentric Advisors to arrive at the estimates of useful lives, survivor curves and remaining lives in the 2015 Depreciation Study. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-48 of 628, Table 1A)

NP-NLH-144 Please reconcile the *Capital Assets – Original Cost* per Return 4 of Hydro's 2015 Annual Financial Return to the total *Original Cost December 31, 2015* and the total *Deemed Cost December 31, 2015* columns in Table 1A of Hydro's Depreciation Study. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-48 of 628, Table 1A)

NP-NLH-145 Please provide all studies and any other relevant materials that were used by Concentric Advisors to arrive at the estimates of Net Salvage Percentage in the 2015 Depreciation Study. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 49-52 of 628, Table 1B)

NP-NLH-146 Please provide a complete listing of Holyrood assets as at December 31, 2015, specifically noting which assets are subject to the March 31, 2021 truncation date. The listing should be in the format of Table 1A of the Depreciation Study. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-52 of 628, Tables 1A and 1B)

NP-NLH-147 Are there additional Holyrood assets acquired since December 31, 2015 that Hydro intends to depreciate on an accelerated basis using the March 31, 2021 truncation date methodology? If so, please provide a listing of these assets, along with their original cost and any impact on revenue requirement for 2018 test year and 2019 test year. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-52 of 628, Tables 1A and 1B)

NP-NLH-148 In Part I of the Depreciation Study, Concentric Advisors state it is "NL Hydro policy to capitalize site preparation costs to the new assets in replacement projects…However, if there are no replacement assets (i.e. meaning replacement in the exact same location), then Concentric Advisors recommends that cost of removal will be charged to accumulated depreciation." Please provide examples of projects within Hydro's Distribution, Transmission and Terminal Station asset classes whereby there would be no replacement assets for a capital project. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 11 of 628)

NP-NLH-149 The Depreciation Study describes Hydro's accounting policy to capitalize site preparation costs, including costs of removal, to the cost of the new asset in replacement projects. Concentric Advisors state, in relation to the collection of these removal costs, "Delaying collection until such costs are incurred results in a charge to customers for plant from which they did not receive service and, as a result of the delay in recovery, also results in higher revenue requirements related to cost of removal." Please explain how Hydro's current policy conforms to the principle of intergenerational equity. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 12 of 628)

NP-NLH-150 Please explain why the depreciation calculations in Part VI of the Depreciation Study state that the results are "related to original cost as of December 31, 2016," whereas Table 1A and 1B in Part IV of the Depreciation Study state that the results are "related to plant in service as of December 31, 2015." (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-52 of 628, Table 1A and 1B)

NP-NLH-151 Please explain the differences between Part IV, Tables 1A and 1B and Part VI, Pages VI-2 to VI-192, as related to Remaining Life and Accrual Rates. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Pages 45-52 of 628, Table 1A and 1B, and Volume II (1st Revision), Exhibit 11: Depreciation Study, Part VI)

NP-NLH-152 Please explain why Losses on Retirements of ($4,969,000) for the period 2012-2015 is included in the estimation of the total change in annual depreciation expense of $810,055. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 7 of 628)

NP-NLH-153 Please complete the table below detailing Losses on Retirements for 2012 to 2019 test year. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 7 of 628)

Losses on Retirements ($000s)								
2012	2013	2014	2015T	2015	2016	2017F	2018T	2019T

NP-NLH-154 Do losses on retirement in future periods have any effect on depreciation expense in Hydro's 2018 and 2019 test years? If so, please explain.

NP-NLH-155 Please provide all removal cost data for Hydro that was made available to Concentric Advisors for the purposes of completing the Depreciation Study, as well as any data available since the effective date of the Depreciation Study (i.e. since December 31, 2015). (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 13 of 628)

NP-NLH-156 What portion of the *Original Cost December 31, 2015* shown in Table 1A for accounts T10, T11 and T12, respectively, is associated with the OEM recommended inspections of the Holyrood Combustion Turbine outlined in Table 1 on Page 5 of the report *Combustor Inspection Major and Overhaul* filed with Hydro's supplemental capital budget application dated August 31, 2016? (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 47 of 628, Table 1A)

NP-NLH-157 In addition to the costs associated with the OEM recommended inspections of the Holyrood Combustion Turbine referred to in NP-NLH-155, what other costs are included in the *Original Cost, December 31, 201*5 shown in Table 1A for accounts T10, T11 and T12, respectively? (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 47 of 628)

NP-NLH-158 Please explain how the amortization period of 3, 6 and 12 years respectively for accounts T10, T11 and T12 were determined. In the explanation please consider the entire lifecycle for the Holyrood Combustion Turbine and when Hydro anticipates each type of overhaul to occur and the period over which the cost will be amortized. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 41 of 628)

NP-NLH-159 In Table 1A, identify the account that included the original cost on December 31, 2015 associated with the Holyrood Combustion Turbine. If the original cost of the Holyrood Combustion Turbine is not included in Table 1A, please explain why. (Volume II (1st Revision), Exhibit 11: Depreciation Study, Page 47 of 628, Table 1A)

Reference: Volume II (1st Revision), Exhibit 12: Automatic Return on Equity Adjustment Report

NP-NLH-160 What alternatives did Hydro consider with regards to an adjustment mechanism for its target return on equity to reflect any future changes to Newfoundland Power's approved target return on equity for rate setting purposes? Please identify the advantages and disadvantages of each alternative. (Volume II (1st Revision), Exhibit 12: Automatic Return on Equity Adjustment Report, Page 6 of 11, Line 24, to Page 7 of 11, Line 6)

Reference: Volume II (1st Revision), Exhibit 13: Cost of Service Expert Evidence

NP-NLH-161 Did CA Energy Consulting's research identify any utilities that allocate operating and maintenance expenses based on determination of test year transmission asset values via Handy-Whitman, or similar, indexes? (Volume II (1st Revision), Exhibit 13: Cost of Service Expert Evidence, Pages 57-60)

Reference: **Volume III (1st Revision), Exhibit 14 and 15: 2018 and 2019 Test Year Cost of Service Studies**

NP-NLH-162 For the 2019 test year, please reconcile the components of return on rate base shown in Schedule 4-II, Page 5 of 9, Lines 21-26 with the components of return on rate base shown in Exhibit 15: 2019 Cost of Service Study, Page 2 of 108, Lines 19-21.

NP-NLH-163 Newfoundland Power has identified the following apparent errors in Hydro's 2018 and 2019 test year cost of service studies:

i. Schedule 1.3: The unit demand cost for general service 2.2 (10-100 kW) on the island interconnected and L'Anse an Loup systems are $0/kW,
ii. Schedule 1.3.2: The billing demands for general service 2.2 (10-100 kW) on the island interconnected and L'Anse an Loup are materially lower than the 2015 test year,
iii. Schedule 1.3.2: The billing demand for total general service on the isolated systems is materially lower than the 2015 test year,
iv. Schedule 1.5: The value of Newfoundland Power thermal generation credit for the 2018 and 2019 test years is materially lower than the 2015 test year,
v. Schedule 3.2A: Column 3 is named "Production and Transmission Demand." In the 2015 test year, it was named "Production Demand",
vi. Schedule 3.2A: Column 4 is named "Production Energy." In the 2015 test year, it was named "Production and Transmission Energy,"and
vii. Schedule 4.2: The system load factor is not calculated.

Please provide updated evidence including schedules, as required, to reflect the impact of any necessary corrections. (Volume III (1st Revision), Exhibit 14: 2018 Test Year Cost of Service Study and Exhibit 15: 2019 Test Year Cost of Service Study)

NP-NLH-164 Please provide an electronic copy of the 2018 and 2019 Cost of Service Studies with formulas and user documentation included. (Volume III (1st Revision), Exhibit 14: 2018 Test Year Cost of Service Study and Exhibit 15: 2019 Test Year Cost of Service Study)

Reference: **Hydro's Letter to the Board, dated August 23, 2017**

NP-NLH-165 Please expand Table 1 to include the following columns: (i) the July 1, 2017 rate change, (ii) the proposed January 1, 2019 rate change, and (iii) a total of all rate changes, whether historical or projected, over the period July 1, 2017 to January 1, 2019. (Hydro's Letter to the Board, dated August 23, 2017, Page 4)

NP-NLH-166 Do the projected rate changes in Table 1 include the operation of Hydro's three supply cost deferral accounts for 2017? If not, please provide a projected customer rate impact with all supporting calculations and assumptions. (Hydro's Letter to the Board, dated August 23, 2017, Page 4)

NP-NLH-167 Please provide copies of any press releases and public communications materials relating to Hydro's 2017 General Rate Application and related rate increases.

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 25th day of September, 2017.

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