

- 1 **Q. In the 2018 Capital Plan, the Applicant makes reference to the company's 23 hydro-**
2 **electric plants, three gas turbines and two diesel plants.**
3
4 **(a) Is the electrical power generating plant in the Mobile River watershed area**
5 **included in the above-referenced number?**
6
7 **(b) That plant had been subject to litigation pertaining to a lease granted by the**
8 **City of St. John's to the Applicant. Has that litigation and the arbitration**
9 **process in reference to the same been concluded and, if so, how?**
10
11 **(c) Is the ownership of that plant still an issue?**
12
13 **(d) How is the plant being maintained and operated and at what cost to ratepayers**
14 **in these circumstances?**
15
16 **(e) Have any legal costs associated with this litigation been charged to consumers? If**
17 **so, provide specifics.**
18
19 **A. (a) Yes. The reference to 23 hydro-electric plants includes the Mobile Plant and the**
20 **Morris Plant, both of which generate electricity using the waters of the Mobile River**
21 **watershed.**
22
23 **(b) The litigation and arbitration process between the City of St. John's and the Applicant**
24 **related to the Mobile River watershed has not been concluded.**
25
26 **(c) Yes. Termination of the Company's rights to use the Mobile River watershed for the**
27 **generation of electricity, together with payment by the City to Newfoundland Power of**
28 **the value of the associated assets, is a possible outcome.**
29
30 **(d) Newfoundland Power is required to operate and maintain all of its hydro-electric**
31 **generation assets safely and in accordance with all applicable laws. Newfoundland**
32 **Power continues to maintain and operate its Mobile River assets accordingly, and those**
33 **assets continue to provide the Company's customers with very low-cost electricity.**
34
35 **(e) Yes. Legal costs, including those associated with this matter, are operating expenses of**
36 **Newfoundland Power and are recovered through the rates charged to the Company's**
37 **customers. Information regarding specific amounts of legal expenses associated with**
38 **the referenced litigation is not necessary for an understanding of the matters to be**
39 **considered by the Board in this proceeding.**