

1 **Q. Page 3-32, lines 5-9: Please provide all capital and operating costs incurred from**  
2 **2008-2015 that have arisen solely due to severe weather conditions. State what costs**  
3 **have not been recovered from customers and their impact on Newfoundland**  
4 **Power’s financial position.**  
5

6 A. All capital and operating costs incurred from 2008 to 2017 that have arisen due to severe  
7 weather events are included in Attachment A.  
8

9 Over the 2008 to 2017 period, Newfoundland Power has incurred operating costs of  
10 approximately \$5.2 million and capital costs of approximately \$9.5 million related to  
11 severe weather events. This does not include operating and capital costs related to more  
12 routine weather events that typically only take hours to facilitate repairs and return  
13 service to customers.  
14

15 The operating costs in a given year have ranged from \$125,000 in 2014 to \$1,940,000 in  
16 2010. During the 2008 to 2017 period, the Company did not include the cost of extreme  
17 weather events in its annual operating budget. Because these costs are not included in the  
18 ratemaking process, they are not recovered from customers in any formal sense.<sup>1</sup>  
19

20 Newfoundland Power begins to recover the capital costs for severe weather events from  
21 customers once customer rates are reset.<sup>2</sup> This typically follows a general rate  
22 application. Because recovery of these costs commences only when new customer rates  
23 are set, the shareholder effectively funds the capital costs until the new rates are  
24 established.  
25

26 The effect of the unrecovered costs reduced Newfoundland Power’s after-tax earnings by  
27 a range of approximately \$0.1 million in 2014 to \$1.8 million in 2010.<sup>3</sup>

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<sup>1</sup> See the response to Requests for Information PUB-NP-039 in the Company’s *2016/2017 General Rate Application*.

<sup>2</sup> For severe weather events, the Company will typically use the Unforeseen Allowance and apply to the Board to increase this allowance when necessary. In 2010, the Company applied to increase the Unforeseen Allowance to recover capital costs associated with the March Ice Storm (See Order No. P.U. 17 (2010)) and Hurricane Igor (See Order No. P.U. 35 (2010)).

<sup>3</sup> This includes the after-tax effect of the operating costs and estimated financing and depreciation effects associated with capital costs.

**Newfoundland Power**  
**Severe Weather Events**  
**2008 - 2017**

**Newfoundland Power  
Severe Weather Events 2008 - 2017**

<b>Event</b>	<b>Description</b>	<b>Operating Costs (\$000s)</b>	<b>Capital Costs (\$000s)</b>
Ice Storm, March 2010	This was one of the worst ice storms to hit the province in 25 years. It damaged 8 main transmission lines and left over 12,000 customers without power on the Northeast Avalon and Bonavista Peninsulas.	142	4,157
Hurricane Igor, September 2010	In September 2010, Hurricane Igor left approximately 100 communities across the island isolated or in states of emergency. Approximately 77,000 customers were left without power as a result of downed power lines caused by high winds and severe flooding.	1,798	3,374
Wind Storm, December 2011	A major wind storm in December 2011 damaged the electricity system and left approx. 41,000 customers without power across the island, with the majority of customers affected in the Corner Brook, Grand Falls-Windsor and Bonavista Peninsula areas.	372	372
Tropical Storm Leslie, September 2012	Eastern Newfoundland experienced an extreme weather event related to Tropical Storm Leslie on the morning of Tuesday September 11 <sup>th</sup> , 2012. This event caused damage to Newfoundland Power's electricity system throughout most of Eastern Newfoundland and the Avalon Peninsula.	1,625	635
Central Newfoundland Snow Storm, November 2013	A severe winter storm struck Western and Central Newfoundland on November 20th, 2013. The storm caused power interruptions in Western Newfoundland and more severe damage to the electricity system in Central Newfoundland. The damage in Central Newfoundland was caused by heavy wet snow and high winds. This resulted in broken poles, conductor and crossarms, ultimately causing the failure of 39 distribution and transmission structures.	145	498
Winter Storm, January 2014	Commencing on January 2 <sup>nd</sup> , shortages in available generation resulted in rotating power outages to customers. A blizzard which commenced on January 3 <sup>rd</sup> also contributed to service disruptions for Newfoundland Power customers which were unrelated to the generation shortfall.	125	100

**Newfoundland Power  
Severe Weather Events 2008 - 2017**

<b>Event</b>	<b>Description</b>	<b>Operating Costs (\$000s)</b>	<b>Capital Costs (\$000s)</b>
Wind Storm, December 2016	From December 16 <sup>th</sup> -18 <sup>th</sup> , a major winter storm hit the island, bringing high winds, heavy snowfall and wintry precipitation. The storm impacted approximately 14,000 Newfoundland Power customers, mostly affecting customers on the south west coast of the island.	149	37
Wind Storm, March 2017	On March 11 <sup>th</sup> , 2017, a severe wind storm affected eastern Newfoundland, with gusts up to 180 km/h on the Avalon Peninsula and 148 km/h on the Burin Peninsula (the "March 2017 Wind Storm"). Approximately 140,000 Newfoundland Power customers experienced outages as a result of wind-related issues that affected distribution and transmission systems.	623	266
Snow Storm, December 2017	A December 26 <sup>th</sup> -28 <sup>th</sup> windstorm affected most of the island. The windstorm resulted in approximately 12,000 Newfoundland Power customers without power.	262	58