



Hydro Place. 500 Columbus Drive.
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 f. 709.737.1800
www.nlh.nl.ca

November 19, 2019

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

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Newfoundland Power's 2020 Capital Budget Application – Requests for Information

Enclosed please find the original plus eight copies of Newfoundland and Labrador Hydro's Requests for Information NLH-NP-038 to NLH-NP-040 in relation to Newfoundland Power's 2020 Capital Budget Application.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

cc: **Newfoundland Power**
Mr. Gerard M. Hayes

Consumer Advocate
Mr. Dennis M. Browne, Q.C, Browne Fitzgerald Morgan & Avis

ecc: **Board of Commissioners of Public Utilities**
Ms. Jacqui Glynn
PUB Official Email

Newfoundland Power
Ms. Kelly C. Hopkins
Liam O'Brien, Curtis Dawe
Regulatory Email

Consumer Advocate

Mr. Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis

Ms. Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis

Ms. Bernice Bailey, Browne Fitzgerald Morgan & Avis

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 a 2020 Capital Budget of \$96,614,000;
- (b) approving certain capital expenditures related to multi-year projects commencing in 2020; and
- (c) fixing and determining a 2018 rate base of \$1,117,341,000

NEWFOUNDLAND AND LABRADOR HYDRO

Requests for Information

NLH-NP-038 to NLH-NP-040

November 19, 2019

1 **NLH-NP-038** Please provide actual contract labour costs in dollars by year from 2002 through 2018.

2

3 **NLH-NP-039** Reference: "2020 Capital Budget Application," Newfoundland Power Inc., July 5, 2019,
4 Newfoundland Power's response to NLH-NP-019, Attachment A

5

6 Please confirm that both the Full Cost and Incremental methods for calculating General
7 Expenses Capitalized were acceptable under generally accepted accounting practices for
8 use in determining Newfoundland Power's annual financial statements.

9

10 **NLH-NP-040** References: "2019/2020 General Rate Application," Newfoundland Power, June 1,
11 2018 and "2020 Capital Budget Application," Newfoundland Power Inc., July
12 5, 2019, Newfoundland Power's response to NLH-NP-018, Attachment A

13

14 Newfoundland Power's 2019/2020 General Rate Application, page 3-40/7-9 states:

15 The company is proposing to revise the capitalization rate for pension
16 expense to reflect the proportion of labour costs that are related to
17 capital work. The capitalization rate is proposed to increase from 11% to
18 46% based on the overall Company labour allocation for 2019 and 2020.

19

20 Please explain the difference between the 46% capital work ratio referenced above, and
21 the forecast of 34% as presented in Newfoundland Power's response to NLH-NP-018,
22 Attachment A.

DATED at St. John's, in the Province of Newfoundland and Labrador this 19 day of November, 2019.



Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro
500 Columbus Drive P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685 4973
Facsimile: (709) 737-1782