



## Public Utilities Board

NEWFOUNDLAND & LABRADOR

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2024-08-21

Ms. Shirley Walsh  
Senior Legal Counsel, Regulatory  
Newfoundland and Labrador Hydro  
P.O. Box 12400  
Hydro Place, Columbus Drive  
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - 2024 Capital Budget Supplemental Application - Approval of Capital Expenditures for Replacement of Rigolet Unit 2065 and Fuel Storage Upgrades - Requests for Information**

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-017 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacquie Glynn, by email, [jglynn@pub.nl.ca](mailto:jglynn@pub.nl.ca) or by telephone 709-726-6781.

Sincerely,

Stephanie Stack  
Assistant Board Secretary

SS/cs  
Enclosure

ecc **Newfoundland and Labrador Hydro**

NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca

**Newfoundland Power Inc.**

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**Industrial Customer Group**

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1 **IN THE MATTER OF**  
2 the **Electrical Power Control Act**, 1994,  
3 SNL 1994, Chapter E-5.1 (the “**EPCA**”)  
4 and the **Public Utilities Act**, RSNL 1990,  
5 Chapter P-47 (the “**Act**”), as amended, and  
6 regulations thereunder; and

7  
8 **IN THE MATTER OF** an application by  
9 Newfoundland and Labrador Hydro for approval  
10 of capital expenditures for replacement of Rigolet  
11 Unit 2065 and fuel storage upgrades,  
12 pursuant to subsection 41(3) of the **Act**.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB-NLH-001 to PUB-NLH-017**

**Issued: August 21, 2024**

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- 1 **PUB-NLH-001** Please confirm that Unit 2065 is a 320 kW, 1800 rpm diesel genset that was  
2 installed in 2002.  
3
- 4 **PUB-NLH-002** Application, Page 2. Hydro states that the larger 545 kW unit gives added  
5 benefits in case there is an unforeseen increase in load.  
6  
7 (a) Please identify the sources of additional expected load growth to 2030.  
8 (b) Please provide examples of unforeseen load i.e. a request for another  
9 community building.  
10 (c) Does Hydro normally use possible unforeseen load in its planning criteria?  
11 (d) On the assumption that the new diesel generating station planned for 2028  
12 will address any future load growth, has Hydro investigated the possibility  
13 of having some of the existing load deemed curtailable in the short term  
14 to address any shortfall until the completion of the new diesel generating  
15 station?  
16
- 17 **PUB-NLH-003** Application, Page 2, states that this will be a three-year project and provides  
18 the estimated expenditures for 2024, 2025 and 2026. On page 15, section 5.1  
19 of Schedule 1 states that it is expected to be a four-year project, commencing  
20 in 2024 with completion in 2027. Please confirm if there will be expenditures  
21 in 2027.  
22
- 23 **PUB-NLH-004** Schedule 1, Page ii, lines 9-11. The Application states that “.... a 455 kW unit  
24 would provide sufficient firm capacity to meet Hydro’s current load forecast  
25 ....” On page 12, Hydro acknowledges that Alternative 3a is the least cost  
26 option but states at lines 17-18 that “Alternative 3b is the preferred alternative  
27 when balancing cost with reliable service”. What jurisdiction does the Board  
28 have to approve an alternative that is not the least cost option?  
29
- 30 **PUB-NLH-005** Schedule 1, Page 6, Footnote 17. The footnote states that “An additional 13kW  
31 of load growth is equivalent to two electrically heated homes (average peak  
32 impact of 7.5 kW per home) connecting to the distribution system.” Please  
33 provide the supporting evidence that 7.5 kW is the average peak impact per  
34 home.  
35
- 36 **PUB-NLH-006** Schedule 1, Page 7, Section 4.1. Did Hydro consider the alternative of adding  
37 a smaller genset to the existing structure rather than replacing Unit 2065? If  
38 not, please explain why this alternative was not considered in the analysis.  
39
- 40 **PUB-NLH-007** Schedule 1, Page 7, Table 4. The table states that in 2030 the firm capacity  
41 requirements exceed the rated capacity by 0.3%.  
42  
43 a) Are there steps Hydro could take to mitigate the impact of this on the  
44 community (e.g., encourage reduction of load by customers, curtailment  
45 arrangements, etc.)?

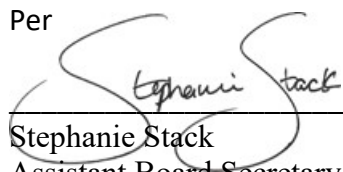
- 1 b) What is the level of impact (using Hydro’s Risk Evaluation Matrix ratings of  
2 1-5) on the community in an occasion of a 0.3% deficit in capacity?  
3 c) What is the level of impact (using Hydro’s Risk Evaluation Matrix ratings of  
4 1-5) on the community in an occasion of a 5% deficit in capacity?  
5
- 6 **PUB-NLH-008** Schedule 1, Page 10, Lines 20-21. The Application states that “The scope to  
7 replace the diesel plant is estimated to be \$35.2 million and would include the  
8 construction of a new diesel plant building, fuel storage yard, and substation.”  
9 Please provide a detailed breakdown of the \$35.2 million estimate and clarify  
10 the Association for the Advancement of Cost Engineering (“AACE”) Class of the  
11 estimate.  
12
- 13 **PUB-NLH-009** Schedule 1, Page 12, Lines 14-15. The Application states that “The incremental  
14 cost associated with a 545 kW unit provides a Risk-Spend Efficiency of 23.8 per  
15 million dollars.” Please provide the details of the calculation of the 23.8 per  
16 million-dollar figure.  
17
- 18 **PUB-NLH-010** Schedule 1, Page 14, Lines 9-11. The Application states that “The existing fuel  
19 tanks 12C, 12E, and 12F will also be replaced with horizontal tanks in the size  
20 range of 60,000 - 80,000 litres.”  
21
- 22 a) Please explain why Hydro chose not to replace the three horizontal tanks  
23 with one horizontal or vertical tank with larger capacity rather than three  
24 smaller horizontal tanks? Please include any analyses completed.  
25 b) Please provide the most recent inspection reports for Tanks 12C, 12E, and  
26 12F.  
27
- 28 **PUB-NLH-011** Schedule 1, Appendix A, Page 8 of 10. Hydro’s assumption is that “Final Fuel  
29 delivery via shuttle tanker is in late November.”  
30
- 31 a) When is the normal time frame for the first fuel spring delivery for Rigolet?  
32 b) What has been the longest duration between the final winter and first  
33 spring fuel deliveries in Rigolet?  
34 c) Please provide the rationale for Hydro’s planning to be based on sufficient  
35 fuel being stored on site such that the energy requirements of the system  
36 can be met for nine consecutive months.  
37
- 38 **PUB-NLH-012** (a) What type of heating system is planned for the building and what amount  
39 of the forecast load is attributable to the heating system?  
40
- 41 (b) Has Hydro discussed with the customer opportunities to incorporate  
42 alternate heating systems (i.e. other than electric) or CDM initiatives into  
43 their facilities to minimize the maximum demand requirements. If no, why  
44 not?

- 1 (c) Has Hydro discussed with the customer possible funding opportunities (i.e.
- 2 government contribution)? If no, why not?
- 3
- 4 **PUB-NLH-013** Will the new customer be billed on the Government-General Service diesel
- 5 rate or the non-government General Service diesel rate? Please explain the
- 6 factors that determine the electricity rate selection.
- 7
- 8 **PUB-NLH-014** (a) What are Hydro’s plans with Unit 2065 that is being replaced?
- 9 (b) Will there be savings from utilizing this asset elsewhere and how will these
- 10 savings be used?
- 11
- 12 **PUB-NLH-015** The Rigolet diesel generating plant is located on Labrador Inuit Lands. Did
- 13 Hydro consult with the indigenous groups? Why or why not?
- 14
- 15 **PUB-NLH-016** Schedule 1, Page 4, Footnote 14. Hydro indicates that it was decided to form
- 16 a joint working group consisting of members from Hydro and the Nunatsiavut
- 17 Government to discuss load growth in Inuit communities.
- 18
- 19 a) Please provide an update on the status of the joint working group.
- 20 b) Has the working group discussed this application? If yes, what was the
- 21 feedback received? If no, why not?
- 22
- 23 **PUB-NLH-017** Schedule 1, Page 14. Hydro notes that the 545kW unit can be installed in the
- 24 existing footprint of the engine hall. Will the installation of the three larger
- 25 fuel tanks mean a greater footprint on Labrador Inuit Lands?

**DATED** at St. John’s, Newfoundland and Labrador, this 21<sup>st</sup> day of August, 2024.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per

  
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 Stephanie Stack  
 Assistant Board Secretary