



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: gyoung@nlh.nl.ca

2015-09-04

Mr. Geoffrey Young
Senior Legal Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Mr. Young:

**Re: Newfoundland and Labrador Hydro – 2016 Capital Budget Application –
Requests for Information**

Enclosed are Information Requests PUB-NLH-001 to PUB-NLH-018 regarding the above noted application.

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

Yours truly,

Cheryl Blundon
Board Secretary

/cpj
Encl.

cc. **Newfoundland & Labrador Hydro**
Peter Alteen, QC, E-mail: palteen@newfoundlandpower.com
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
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Mr. Thomas Johnson, Q.C., E-mail: tjohnson@odeaearle.ca
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Industrial Customer Group
Mr. Paul Coxworthy, E-mail: pcoxworthy@stewartmckelvey.com
Mr. Dean Porter, E-mail: dporter@pa-law.ca

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**
9 an Application by Newfoundland and Labrador Hydro
10 for an Order approving:
11

- 12 1) its 2016 capital budget pursuant to s.41(1) of the *Act*;
- 13 2) its 2016 capital purchases and construction projects in
14 excess of \$50,000 pursuant to s.41(3)(a) of the *Act*;
- 15 3) its leases in excess of \$5,000 pursuant to s. 41(3)(b)
16 of the *Act*;
- 17 4) its estimated contributions in aid of construction for
18 2016 pursuant to s.41(5) of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-1 to PUB-NLH-18

Issued: September 4, 2015

1 **General**

2

3 **PUB-NLH-1** Please identify any current capital projects for 2016 which are a result of or
4 related to the Liberty Consulting Group recommendations contained in the
5 report "*Island Interconnected System to Interconnection with Muskrat Falls*
6 *addressing Newfoundland and Labrador Hydro*".

7

8 **PUB-NLH-2** For projects that have an economic justification based on average fuel costs at
9 Holyrood has Hydro reviewed the economics to reflect the current decrease in
10 fuel costs?

11

12 **PUB-NLH-3** Has Hydro completed an assessment of its service buildings (regional offices,
13 depots, etc) to confirm that the current locations are still the preferred sites
14 prior to proposing plans for refurbishment and or replacement? If yes, please
15 provide copy of assessment. If no, why not?

16

17

18 **C-38; Volume I: Additions for Load Growth**

19

20 **PUB-NLH-4** In response PUB-NLH-20 filed with the 2014 Capital Budget Hydro stated it
21 was continuing to make progress on the long term supply study for Labrador
22 South and would be filing the final report with the Board by the end of 2013.
23 Please provide a status update on this study or if available, a copy of the
24 report.

25

26

27 **C-41; Volume I: Provide Service Extensions**

28

29 **PUB-NLH-5** Please explain why Hydro changed from a two year historical average in
30 2015 to a one year historical average in 2016 when determining the service
31 extension budget for the Labrador region.

32

33

34 **C-48; Volume I: Upgrade Distribution Systems**

35

36 **PUB-NLH-6** Please explain why Hydro changed from a three year historical average in
37 2015 to a two year historical average in 2016 when determining the
38 distribution system upgrade budget for the Central region.

39

40

41 **C-56; Volume I: Install Spare Transformer**

42

43 **PUB-NLH-7** Please provide a copy of Hydro's Business Continuity Plan.

1 **C-67; Volume I: Inspect Fuel Storage Tanks**

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3 **PUB-NLH-8** What is the status of Hydro's development of its horizontal tank inspection
4 guidelines and when are they expected to be complete?
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6

7 **D-226; Volume I: Replace Spherical By-Pass Valve Units 1 and 2**

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9 **Hydro states:**

10 *"This project is required to replace the spherical valve (SV) by-pass assemblies on*
11 *Generating Units 1 and 2 located in Powerhouse 1 at Bay d'Espoir Hydroelectric*
12 *Generation Station (BDE). A similar multi-year project was approved by the Board*
13 *of Commissioners of Public Utilities (Board) as part of Hydro's 2014 capital*
14 *program, Board Order No. P.U. 42(2013), but due to outage constraints related to*
15 *the generating Units 1 and 2, the approved project could not take place as planned.*
16 *Generating Units 3 and 4 were substituted for the Generating Units 1 and 2. All four*
17 *generating units are the same age and design. They each have the same by-pass*
18 *valve arrangement and are in a similar state of deterioration."*
19

20 **PUB-NLH-9** In Tab I: 2015 Capital Expenditures to June 30, it is indicated that Units 3 and
21 4 are scheduled to be completed in 2015 with a total budget of \$153,800.
22 Please explain the increase in budget for Units 1 and 2 to \$351,500.
23
24

25 **D-252; Volume I: Install Hydrometeorological Equipment**

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27 **Hydro states:**

28 *"The 2011 program was to install equipment required to take over several*
29 *hydrometric stations currently operated on Hydro's behalf by the provincial*
30 *Department of Environment and Conservation and Environment Canada. Work was*
31 *approved by Board Order No. P.U. 38(2010) but was cancelled because of concerns*
32 *expressed by the Provincial Department of Environment and Conservation about*
33 *taking the existing gauges out of the provincially operated network. Hydro continues*
34 *to pay for these gauges to be maintained."*
35

36 **PUB-NLH-10** Has Hydro had further discussions with the Department of Environment and
37 Conservation about removing the gauges from the provincially operated
38 network?
39
40

41 **D-353; Volume I: Replace Light Duty Mobile Equipment**

42
43 **PUB-NLH-11** Please explain the difference between Snowmobiles/All-Terrain Vehicles;
44 Transmission Line Crews and Snowmobiles/All-Terrain Vehicles: Other that
45 would result in an estimated service life difference of approximately 2 years.

1 **I-17; Volume I: 2015 Capital Expenditures to June 30 - Note 3. Labrador West**
2 **Transmission Project - Construction**

3
4 **PUB-NLH-12** Please explain how Hydro will treat the \$11.6 million in project costs spent to
5 date if Alderon is unsuccessful in securing additional funding.
6
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8 **Tab 3; Volume II: Overhaul Steam Turbine Generator – Unit 3**
9

10 **Hydro states at page 4:**

11 *“The study agreed with the 2003 TOOP (HSB) report to extend the major overhaul*
12 *schedule for the turbine to the nine year frequency but recommended that overhauls*
13 *on the generators revert back to the six year interval. This specific recommendation*
14 *will be further reviewed by Hydro before a final decision is made.”*
15

16 **PUB-NLH-13** When is a final decision expected to be made by Hydro on the interval
17 frequency for overhauls on generators?
18
19

20 **Tab 6; Volume II: Upgrade Work for Cat Arm, Units 1 and 2**
21

22 **PUB-NLH-14** Please explain why Hydro’s Asset Management Plan does not require
23 tracking of maintenance history for spherical valve control systems and
24 deflector servomotors.
25
26

27 **Tab 2; Volume II: Upgrade Powerhouse Building Envelope - Holyrood**
28

29 **PUB-NLH-15** Has Hydro identified what sections of the powerhouse will be necessary once
30 the only requirement for the Holyrood plant is Unit 3 as a synchronous
31 condenser? If yes, please provide listing. If no, when is this expected to be
32 complete?
33
34

35 **Tab 17; Volume III: Insulator Replacement – TL203**
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37 **PUB-NLH-16** Please describe the strategy Hydro uses for the research and development of
38 new techniques and equipment allowing Hydro to be proactive in its
39 inspections as opposed to applying new techniques as a result of operational
40 issues.

1 **Tab 18; Volume III: Replace Disconnect Switches**

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PUB-NLH-17 Please explain why Hydro's Asset Management Plan does not require tracking of the reliability performance of disconnect switches along with the performance of terminal stations.

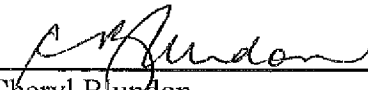
8 **Tab 35; Volume III: Replace Personal Computers**

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PUB-NLH-18 The category, quantity and estimated cost for equipment under the Personal Computer Replacement program for 2016 is provided on page 2 and totals \$330,450. Table 2 on page 8 indicates a Material Supply estimate of \$535,100. Please explain the variance between these two numbers.

DATED at St. John's, Newfoundland this 4th day of September, 2015.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
Cheryl Blundon
Board Secretary