

**IN THE MATTER OF**

the *Electrical Power Control Act*, SNL 1994,  
Chapter E-5.1 (the "*EPCA*") and the  
*Public Utilities Act*, RSNL 1990,  
Chapter P-47 (the "*Act*"), as amended;

**AND**

**IN THE MATTER OF**

an Application by Newfoundland and Labrador Hydro for an Order:

- 1) approving its 2012 capital budget, pursuant to s.41(1) of the *Act*;
- 2) approving its 2012 capital purchases, and construction projects in excess of \$50,000, pursuant to s.41(3)(a) of the *Act*;
- 3) approving its leases in excess of \$5,000 pursuant to s. 41(3) of the *Act*;
- 4) approving its estimated contributions in aid of construction for 2012, pursuant to s. 41(5) of the *Act*; and
- 5) fixing and determining its average rate base for 2010, pursuant to s. 78 of the *Act*.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION  
PHASE 1**

**PUB-NLH-142 to PUB-NLH-154**

**Issued: September 27, 2011**

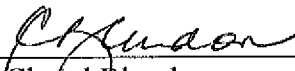
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- 1     **PUB-NLH-142**     In the response to PUB-NLH-1, Hydro explains in a general way the actions it  
2     has taken to deal with lack of resources which was reported in several Capital  
3     Expenditure Reports to be the reason capital projects have not been completed  
4     on schedule. Hydro proposes to increase its annual capital expenditures from  
5     \$55.5 million in 2010, to \$87.9 million in 2012 (an increase of 58%) to \$151.7  
6     million in 2014 (an increase of 172% over 2010). In the response to PUB-  
7     NLH-24, Hydro states it will assess the viability of executing 2012 capital  
8     work by internal forces and internal labour costs are expected to be relatively  
9     stable. From the responses provided it does not appear that additional internal  
10    labour will be hired. Provide a more detailed response than provided in PUB-  
11    NLH-1 and PUB-NLH-24 on the plans Hydro has put in place to ensure that it  
12    will be able to carry out the proposed capital projects on schedule when it was  
13    unable to do so in previous years when capital budgets were significantly  
14    lower.
- 15
- 16    **PUB-NLH-143**     Further to the response to PUB-NLH-2, why was the Generation Planning  
17    Issues 2010 July report not updated in time to be filed with the 2012 Capital  
18    Budget Application as it has been filed with the capital budget applications for  
19    the past several years?  
20
- 21    **PUB-NLH-144**     Further to the response to PUB-NLH-2, have there been any material changes  
22    in planning issues that would result in a material change to the Generation  
23    Planning Issues 2010 July Update?  
24
- 25    **PUB-NLH-145**     In a number of responses (PUB-NLH-68, PUB-NLH-116, PUB-NLH 75 and  
26    PUB-NLH-95) it is stated that Hydro does not apply for approval for certain  
27    projects as multi-year projects as the project scope or costs can change each  
28    year. How is this different than the projects Hydro refers to as multi-year,  
29    where there have been significant changes in scope and cost such as the  
30    project to replace programmable logic controllers at Holyrood, the project to  
31    upgrade the gas turbine at Holyrood and the project for the new terminal  
32    station in Labrador City?  
33
- 34    **PUB-NLH-146**     Further to the response to PUB-NLH-38 which sets out the significant impact  
35    on the revenue requirement arising from the forecast capital expenditures,  
36    explain how Hydro considers the impact of capital expenditures on electricity  
37    rates in the preparation of its annual capital programs?  
38
- 39    **PUB-N:LH-147**     Further to the response to PUB-NLH-38, in relation to Table 1 Pro Forma  
40    Revenue Requirement 2012-2016, confirm that interest expense associated  
41    with the capital expenditures is included.  
42
- 43    **PUB-NLH-148**     Further to the response to PUB-NLH-38, provide a revised Table to include  
44    the year 2017 to show the impact of the 2012-2016 spending in 2017 and also  
45    show the increase in the Pro Forma Revenue Requirement each year as a  
46    percentage of the 2007 revenue requirement.

- 1 **PUB-NLH-149** Given that OC2009-063 directs the Board to adopt policies in relation to  
2 Hydro's return on rate base, rate of return and capital structure, please revise  
3 the information set out in Table 1 Pro Forma Revenue Requirement 2012-  
4 2016 from PUB-NLH-38 to reflect these directions.  
5
- 6 **PUB-NLH-150** When does Hydro plan to file its next general rate application and what will  
7 be the test year used in the application?  
8
- 9 **PUB-NLH-151** How does Hydro plan to seek recovery of the large annual increases in  
10 revenue requirement arising from the proposed 2012-2017 capital  
11 expenditures subsequent to the next general rate application?  
12
- 13 **PUB-NLH-152** Given the magnitude of the forecast capital budgets for 2012-2016 and the  
14 potential rate impacts on customers are there alternatives available to smooth  
15 the projected rate impacts? Please explain in detail.  
16
- 17 **PUB-NLH-153** What information does Hydro have in relation to the annual level of capital  
18 spending of other Canadian utilities?  
19
- 20 **PUB-NLH-154** Further to the response to PUB-NLH-22, provide the worst case for the  
21 expected accuracy ranges.

**DATED** at St. John's, Newfoundland this 27<sup>th</sup> day of September, 2011.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per   
Cheryl Blundon  
Board Secretary