

HAND DELIVERED

December 18, 2013

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

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: Newfoundland and Labrador Hydro's 2013 General Rate Application

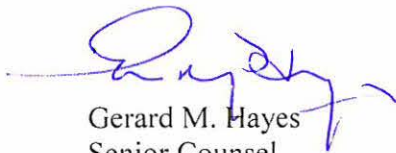
Please find enclosed the original and 12 copies of Newfoundland Power's Requests for Information NP-NLH-198 to NP-NLH-306 in relation to the above-noted Application.

For convenience, the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to the parties listed below.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours very truly,



Gerard M. Hayes
Senior Counsel

Enclosures

c. Geoffrey Young
Newfoundland and Labrador Hydro

Thomas Johnson
O'Dea Earle Law Offices

Paul Coxworthy
Stewart McKelvey

Thomas O'Reilly, QC
Vale Newfoundland and Labrador Limited

Ed Hearn, QC
Miller & Hearn

Yvonne Jones, MP
Labrador

Nancy Kleer
Olthuis, Kleer, Townshend LLP



IN THE MATTER OF the Public
Utilities Act, R.S.N. 1990, Chapter P-47
(the Act), and

IN THE MATTER OF a General Rate Application
(the Application) by Newfoundland and Labrador Hydro
for approvals of, under Section 70 of the Act, changes
in the rates to be charged for the supply of power and
energy to Newfoundland Power, Rural Customers and
Industrial Customers; and under Section 71 of the Act,
changes in the Rules and Regulations applicable to the
supply of electricity to Rural Customers.

**Requests for Information by
Newfoundland Power Inc.**

NP-NLH-198 to NP-NLH-306

December 18, 2013

Requests for Information

NP-NLH-198 Further to response to Request for Information NP-NLH-025:

Please complete the following table showing the salary paid to Hydro employees or other affiliate employees where:

A = The quantity of employees of Hydro within the specified salary range.

B = The quantity of employees of Nalcor and Affiliates who have been paid by Hydro or charged to Hydro who are within the specified salary range.

Salary														
	2007		2008		2009		2010		2011		2012		2013	
Salary	A	B	A	B	A	B	A	B	A	B	A	B	A	B
\$100,000 - \$149,999														
\$150,000 - \$199,999														
\$200,000 - \$249,999														
\$250,000 and above														
Total														

NP-NLH-199 Further to response to Request for Information NP-NLH-024, Attachment 1:

Please complete the table below detailing the number of employees providing core shared services and the associated labour cost for 2013 Test Year.

Employees Providing Core Shared Services – 2013 Test Year						
Division	Nalcor Corporate		Hydro		Total	
	Employees	Labour Cost (\$000s)	Employees	Labour Cost (\$000s)	Employees	Labour Cost (\$000s)
Executive Leadership & Associates						
HROE						
Finance/CFO						
PETS						
Total						

NP-NLH-200

Further to response to Request for Information PUB-NLH-169, please complete the table below detailing Common Service Costs Allocators.

Common Service Costs Allocators: 2007 to 2015F						
	2010	2011	2012	2013T	2014F	2015F
Human Resources/Safety and Health (FTEs)						
Hydro Regulated	832.5	827.6	813.7	858.8	887.8	887.8
Nalcor Corporate						
Lower Churchill Project						
Oil and Gas						
Bull Arm Fabrication						
Churchill Falls						
Other Nalcor affiliates (please specify)						
Total	1262.1	1290.2	1306.7	1415.5	1492.3	1492.3
Information Systems (Users)						
Hydro Regulated	844.4	872.4	912.7	885.7	926.5	926.5
Nalcor Corporate						
Lower Churchill Project						
Oil and Gas						
Bull Arm Fabrication						
Churchill Falls						
Other Nalcor affiliates (please specify)						
Total	1322.5	1335.8	1423.7	1401.9	1515.6	1515.6
Office Space (Square Ft)						
Hydro Regulated	117,530	117,802	86,108	86,108	84,674	84,674
Nalcor Corporate						
Lower Churchill Project						
Oil and Gas						
Bull Arm Fabrication						
Churchill Falls						
Other Nalcor affiliates (please specify)						
Total	147,100	147,100	152,501	152,501	152,501	152,501
LANs						
Hydro Regulated	807.2	795.8	736.9	1010.1	953.8	953.8
Nalcor Corporate						
Lower Churchill Project						
Oil and Gas						
Bull Arm Fabrication						
Churchill Falls						
Other Nalcor affiliates (please specify)						
Total	984.0	984.0	984.0	1241.0	1241.0	1241.0
Telephones						
Hydro Regulated	573.2	561.8	502.9	449.1	392.8	680.0
Nalcor Corporate						
Lower Churchill Project						
Oil and Gas						
Bull Arm Fabrication						
Churchill Falls						
Other Nalcor affiliates (please specify)						
Total	750.0	750.0	750.0	680.0	680.0	1042.5

- NP-NLH-201 Further to response to Request for Information PUB-NLH-169:
Please explain why the telephones allocator increases in Forecast 2015 for both Hydro Regulated and Other lines of business.
- NP-NLH-202 Further to response to Request for Information PUB-NLH-169:
Are common costs associated with the Muskrat Falls project included in each of 2013, 2014 and 2015? For each year, please indicate the specific allocations to the Muskrat Falls project. If costs associated with the Muskrat Falls project are not included, please explain why not.
- NP-NLH-203 Further to response to Request for Information PUB-NLH-169:
Please explain why Information Systems costs allocated and Office Space costs allocated (line A for each common service cost) increase for the 2013 Test Year then decrease for Forecast 2014.
- NP-NLH-204 Further to response to Request for Information PUB-NLH-169:
Please complete the following table detailing common service costs allocations for each of the following scenarios: (i) 2013 Test Year, (ii) 2013 Test Year if Nalcor employed all core shared services employees, consistent with the total employees shown in response to Request for Information NP-NLH-199 and (iii) 2013 Test Year if total core shared services employees were removed from the allocator calculation. Please ensure the response includes adjusting all common service cost allocators such as those used for Information Systems, Office Space, LANS, and Telephones.

Shared Service Costs – 2013 Test Year (\$000s)			
Common Service Cost	Scenario (i)	Scenario (ii)	Scenario (iii)
Hydro	\$9,372.6		
Nalcor Corporate			
Lower Churchill Project			
Oil and Gas			
Bull Arm Fabrication			
Churchill Falls			
Other Company (please specify)			
Total	\$15,381.4	\$15,381.4	\$15,381.4

NP-NLH-205 Further to response to Request for Information NP-NLH-024, Attachment 1, page 19 of 53:

Please provide a breakdown in the table below of the total HROE common service cost for each year from 2007 through 2015 forecast.

HROE Common Service Cost Breakdown 2007 to 2015F (\$000s)									
Activity	2007	2008	2009	2010	2011	2012	2013T	2014F	2015F
Payroll									
Recruitment									
Other									
Total									

NP-NLH-206 Further to response to Request for Information NP-NLH-024, Attachment 1, page 19 of 53:

Please provide, in the table below, a summary of recruitments by company from 2007 through 2015 forecast.

Recruitment Breakdown 2007 to 2015F									
Company	2007	2008	2009	2010	2011	2012	2013T	2014F	2015F
Regulated Hydro									
Nalcor									
Other Nalcor affiliates									
Total									

NP-NLH-207 The last paragraph on Page 26 of 53 of NP-NLH-024, Attachment 1 (Nalcor Intercompany Review), states:

“As Nalcor continues to evolve its services, there may be opportunities to implement alternative allocation models to attribute costs to other drivers as well as reduce calculation efforts in determining allocations.”

Since the Nalcor Intercompany Review was finalized on June 6, 2012, has Nalcor/Hydro revisited its shared services allocations?

- NP-NLH-208 Further to response to Request for Information PUB-NLH-173:
- For each Human Resources position provided in Table 1, please assign an approximate percentage of duties performed in 2013 for each of (i) regulated Hydro, (ii) Nalcor, and (iii) other Nalcor affiliates.
- NP-NLH-209 Further to response to Request for Information PUB-NLH-248:
- Please provide the total costs (whether by direct charge, administrative fee allocation, or otherwise) incurred by regulated Hydro related to the Manager of Human Resources and the Manager of Labour Relations for 2012 through 2015 forecast.
- NP-NLH-210 Further to response to Request for Information PUB-NLH-175, Attachment 1:
- PUB-NLH-175, Attachment 1 shows no addition of home based FTEs to the Human Resources department of Nalcor or any of its affiliates since 2010 and none forecasted for 2013 to 2015.
- Please explain how Nalcor/Hydro deploys its Human Resources staff to manage the requirements of Nalcor and its affiliates. In the response, please include how Nalcor/Hydro deploys Nalcor employees vs Hydro employees. For example, how has Hydro/Nalcor managed the requirement to recruit and hire for the Muskrat Falls project in recent years?
- NP-NLH-211 Please update Figure 1 to show Nalcor's current legal entity structure and describe the reason for any changes that have occurred since the date Exhibit 8 was prepared. (Volume II, Exhibit 8, page 1, Figure 1)
- NP-NLH-212 Further to response to Request for Information NP-NLH-024, Attachment 1:
- In its Nalcor Intercompany Review, did Deloitte consider the principles governing intercompany transactions from Newfoundland Power set out in Order No. P.U. 19 (2003) at pp. 57-58?
- NP-NLH-213 Further to response to Request for Information NP-NLH-024, Attachment 1:
- Does Deloitte believe that utility rate payers derive demonstrable benefit from Nalcor's intercompany transactions? If so, has Deloitte quantified those demonstrable benefits?
- NP-NLH-214 Further to response to Request for Information NP-NLH-024, Attachment 1, page 24 of 53, Figure 14:
- Please provide copies of all service level agreements with business units for shared services.

- NP-NLH-215 Further to response to Request for Information NP-NLH-024, Attachment 1, page 24 of 53, Figure 14:
- In Figure 14, Deloitte provided an industry scan comparison of Hydro to four other utilities. Please identify the utilities surveyed. If Hydro is unable to do so due to confidentiality then please confirm that one of the utilities surveyed is Newfoundland Power and identify which of the utilities is Newfoundland Power.
- NP-NLH-216 Further to response to Request for Information NP-NLH-024, Attachment 1, page 26 of 53:
- In the third paragraph of Attachment 1 on page 26 of 53, Deloitte states:
- “This review did not “audit” or validate any of the cost or numbers provided to us, or evaluate the O&M costs.”*
- Why did Deloitte not evaluate the O&M costs borne by Hydro’s rate payers to establish their reasonableness?
- NP-NLH-217 Please confirm that the response to Request for Information PUB-NLH-228 refers only to time charged to regulated Hydro.
- NP-NLH-218 Further to response to Request for Information NP-NLH-024:
- Will Deloitte testify in this proceeding on its Nalcor Intercompany Review?
- NP-NLH-219 Further to response to Request for Information PUB-NLH-170, Attachment 1 (Revision 1, Nov 12-13):
- PUB-NLH-170, Attachment 1 (Revision 1, Nov 12-13) summarizes Corporate Services charges from Hydro to other Nalcor entities for the period 2007 to 2015 forecast. Please explain why *charges to affiliates* decrease in the 2013 Test Year from levels in both (i) the three years prior to the test year and (ii) the two years following the test year.
- NP-NLH-220 Further to response to Request for Information PUB-NLH-228:
- PUB-NLH-228, Attachment 1 (Revision 1, Nov 7-13) summarizes hours of support services provided by the Nalcor Leadership Team to Hydro or other legal entities for the period 2007 to 2015 forecast. Please explain why hours charged into Hydro are higher in the 2013 Test Year forecast than (i) the two years prior to the test year and (ii) the two years following the test year.

- NP-NLH-221 Further to response to Request for Information PUB-NLH-228:
- PUB-NLH-228, Attachment 1 (Revision 1, Nov 7-13) summarizes hours of support services provided by the Nalcor Leadership Team to Hydro or other legal entities for the period 2007 to 2015 forecast. Please provide the costs associated with the hours of support services provided in a table using the same format as Attachment 1.
- NP-NLH-222 Further to response to Request for Information PUB-NLH-260, Attachment 1:
- PUB-NLH-260, Attachment 1 summarizes hours *charged into* Hydro from Nalcor from 2008 to 2015 forecast. Please explain why hours charged into Hydro increase in the 2013 Test Year compared to (i) the five years prior to the test year and (ii) the two years following the test year.
- NP-NLH-223 Further to response to Request for Information PUB-NLH-260:
- PUB-NLH-260, Attachment 1 summarizes Finance Services Positions hours *charged into* Hydro from Nalcor from 2008 to 2015 forecast. Please provide the costs associated with the hours of Finance Services Positions provided in a table using the same format as Attachment 1.
- NP-NLH-224 Further to response to Request for Information PUB-NLH-147, Attachment 1:
- What senior management positions does Hydro, and not Nalcor, employ in its Finance department?
- NP-NLH-225 Please provide a 5 year forecast (2013 to 2017) of Hydro FTEs expected to be working on the Muskrat Falls project.
- NP-NLH-226 Please provide the current signing authority hierarchy for vendor payments by regulated Hydro.
- NP-NLH-227 Further to response to Request for Information NP-NLH-084, Attachment 1:
- In its response to Request for Information NP-NLH-084, Hydro provided a breakdown of the \$9.1 million estimated savings from position transfers to Nalcor from 2008 to 2013. No new positions created by Hydro were indicated in the breakdown.
- Please confirm that Hydro did not hire *any* new employees or fill *any* new positions as a result of the positions transferred from regulated Hydro to Nalcor from 2008 to 2013. If Hydro is unable to provide the confirmation requested, please recalculate Attachment 1 to include all positions hired in Hydro for similar functions.

NP-NLH-228

Further to response to Request for Information NP-NLH-005, Attachment 1, (Revision 1, Nov 14-13), Table 2.13 and Regulated Activities Evidence, Page 2.32, Table 2.13:

Please explain the increase in corporate services salaries and benefits incurred by regulated Hydro from 2012 to 2013 Test Year, and specifically indicate how *each* of the increases is consistent with the provision of least cost, reliable service to customers.

Corporate Services Salaries and Benefits 2012 vs. 2013 (\$millions)		
Cost Category	2012	2013
Executive Leadership	0.9	1.4
HROE	5.0	5.8
Finance	8.1	9.0
Project Execution and Technical Services	3.0	3.4
Corporate Relations	3.5	3.7
Total	20.5	23.3

NP-NLH-229

Further to response to Request for Information NP-NLH-087 (Revision 1, Nov 7-13), Attachment 1:

Does Hydro incur contract labour costs as a result of Hydro Engineering and Operations employees' time being charged to other lines of business of Nalcor? If so, please indicate the amount of these costs from 2007 to 2015 forecast. If Hydro does not incur such costs, please explain why this is so.

NP-NLH-230

Further to response to Request for Information NP-NLH-095:

In response to Request for Information NP-NLH-095, on lines 10 and 12, Hydro states "a composition of the engineering team of 60% permanent resources, 20% term engagements with external resources, and 20% temporary engagements of less than 12 months is seen as optimal". Please provide the composition of the engineering team for 2007 to 2015 forecast.

NP-NLH-231

Further to response to Request for Information NP-NLH-025:

Please explain the labour charges to affiliates are expected to decrease in years following 2013 Test Year compared to (i) the three years prior to the test year and (ii) the two years following the test year.

- NP-NLH-232 Further to response to Request for Information NP-NLH-027 (Revision 1, Nov 19-13), Attachment 1:
- Please provide a detailed explanation of the \$847,000 decrease in Miscellaneous expenses (line 15) in the 2013 Forecast.
- NP-NLH-233 Further to response to Request for Information NP-NLH-011, Schedule 1, (Revision 1, Nov 12-13), Page 1 of 1 and Regulated Activities, Schedule 1, Rev 1 September 9, 2013, Page 1 of 1:
- Please explain why HROE costs increase in the 2013 Test Year compared to (i) the three years prior to the test year and (ii) the two years following the test year.
- NP-NLH-234 Please explain the increase in Finance costs for the 2013 Forecast compared to 2012. (Regulated Activities Evidence, Schedule I, Rev 1, September 9, 2013)
- NP-NLH-235 Further to response to Request for Information NP-NLH-027, Attachment 1 (Revision 1, Nov 19-13), page 3 of 3:
- Please indicate the portion of the \$1,627,000 increase in power purchases that relate to higher supplier costs. Please break down the amount by supplier.
- NP-NLH-236 Further to response to Request for Information NP-NLH-027, Attachment 1 (Revision 1, Nov 19-13), page 3 of 3:
- Please provide a detailed explanation of the \$3,082,000 increase in Loss on disposal in the 2013 forecast, including but not limited to, the portion of the increase related to (i) higher loss on disposal of assets and (ii) addition of removal costs. In the response, please indicate why it would not be appropriate for the Board to order amortization of such an amount as part of its Order on Hydro's 2013 General Rate Application.
- NP-NLH-237 Please reconcile net regulated debt per line 10 to the total regulated debt in return 15 of Hydro's 2012 annual financial return filed pursuant to Section 59(2) of the *Public Utilities Act*. (Finance Evidence, Schedule I, page 4 of 11)
- NP-NLH-238 Please reconcile Capital assets – current year (line 10 of Finance Evidence, Schedule 1, page 5 of 11) with Net Capital Assets for 2012 in Return 3 of Hydro's 2012 Annual Return filed pursuant to Section 59(2) of the *Public Utilities Act*.

- NP-NLH-239 Further to response to Request for Information V-NLH-007:
- In response to Request for Information V-NLH-007, Hydro provided the percentage of forecasted 2013 capital labour that Hydro plans to complete using their own forces (30%) and the percentage that will be contracted out (70%). Please provide corresponding percentages for 2007 to 2015 forecast.
- NP-NLH-240 Further to response to Request for Information NP-NLH-086 (Revision 1, Nov 7-13), Attachment 1:
- In response to Request for Information NP-NLH-086 (Revision 1, Nov 7-13), Attachment 1, Hydro provided executive and administration net FTEs from 2007 to 2015 forecast. Please explain why net FTEs decrease by 10 from 2008 to 2012 then increase by 8 FTEs in 2013F. The explanation should include how economies of scale are achieved in the 2013 Test Year through sharing of executive and administrative services with Nalcor.
- NP-NLH-241 Further to response to Request for Information NP-NLH-020, line 25:
- Hydro states “2015-2017 are test years”. Please indicate if and when Hydro intends to file general rate applications to adjust rates for the 2015-2017 period.
- NP-NLH-242 Further to response to Request for Information NP-NLH-020, line 25:
- Please identify the percentage change in rates by customer class assumed in Hydro’s response to Request for Information NP-NLH-020 for each year from 2014 to 2017 inclusive and provide the assumed effective date for each rate change.
- NP-NLH-243 Further to response to Request for Information NP-NLH-020, Attachment 1, Page 1 of 6, Line 7:
- Please provide a breakdown of operating expenses for Proposed 2014 by cost type (consistent with Volume 1, Section 3, Finance Schedule I, page 9 of 11). For comparison purposes, please also include the 2012 and 2013 Test Year amounts on the schedule.
- NP-NLH-244 Further to response to Request for Information NP-NLH-020:
- Please show the calculation of forecast returns on equity for each year from 2014 to 2017.
- NP-NLH-245 Further to response to Request for Information NP-NLH-020:
- Please reconcile the forecast return on equity for 2014 with the forecast rate of return on equity of 9.38% indicated in response to Request for

Information IR-PUB-NLH-021 as 2014 PUB-21(i) Scenario filed in Hydro's Interim Rates Application.

NP-NLH-246

Further to response to Request for Information NP-NLH-020:

Please confirm that if Hydro's recommended range of return on rate base is approved by the Board, Hydro would be entitled to fully retain a rate of return on equity of 9.38% in 2014 if such a return on equity were to be achieved.

NP-NLH-247

Further to response to Request for Information NP-NLH-020:

Please reconcile the forecast return on equity for 2015 with the forecast rate of return on equity of 12.6% indicated in Response to Request for Information IR-PUB-NLH-032 page 2 of 2 filed in Hydro's Interim Rates Application.

NP-NLH-248

Further to response to Request for Information NP-NLH-020:

Please calculate the amount of the forecast return on equity of 12.6% in 2015, as indicated in response to Request for Information IR-PUB-NLH-032 page 2 of 2 filed in Hydro's Interim Rates Application, that Hydro would be entitled to retain if the Board approves Hydro's recommended range of rate of return on rate base.

NP-NLH-249

Further to response to Request for Information NP-NLH-020:

Please confirm that ratio of equity in the regulated average capital structure for each year from 2014 to 2017 will be less than the 25.1% indicated in Finance Evidence, Schedule I, Page 4 of 11, Line 30.

NP-NLH-250

Further to response to Request for Information NP-NLH-020:

Please restate the response to NP-NLH-020 Attachment 1, assuming that the proposed rates for 2014 remain in effect through 2017.

NP-NLH-251

Further to response to Request for Information NP-NLH-020:

Please provide a detailed calculation of the Weighted Average Cost of Capital (WACC) for each year from 2014 to 2017 shown on Page 3 of 6 of Attachment 1.

NP-NLH-252

Further to response to Request for Information NP-NLH-020:

In response to Request for Information, NP-NLH-020, Attachment 1, Page 2 of 6 Hydro includes three references to footnote (A) which does not appear at the bottom of the page. Please provide the appropriate reference.

- NP-NLH-253 Further to response to Request for Information NP-NLH-028:
- Does Hydro believe that rates which are forecast to yield a rate of return on equity substantially higher than the 8.8% indicated in the 2013 Test Year would be “just and reasonable” within the meaning of the *Public Utilities Act*? Please provide a detailed explanation.
- NP-NLH-254 Further to response to Request for Information NP-NLH-026:
- Section 32 – Guarantee Fee, of the Hydro Corporation Act (1990)* required Hydro to “pay annually to the Minister of Finance a fee in respect of loans guaranteed by the Minister of Finance under [the] Act”. The *Hydro Corporation Act (1990)* has since been repealed. The most current legislation, the *Hydro Corporation Act, 2007*, has no provision for payment of a debt guarantee fee from Hydro to the Minister of Finance as proposed by Hydro in its 2013 General Rate Application.
- Hydro’s response to Request for Information PUB-NLH-058 included Order in Council OC2011-218 that specifically refers to Sections 21 to 25 of the *Hydro Corporation Act, 2007* as the basis of a debt guarantee fee. Given the repeal of the specific provision for a debt guarantee fee, explain how Hydro justifies the inclusion of a debt guarantee fee in its test year costs?
- NP-NLH-255 Further to response to Request for Information NP-NLH-027:
- For each item in Finance Schedule III, provide in tabular form all adjustments that were made to convert the 2013 forecast to the 2013 Test Year forecast to provide Hydro the opportunity to earn a reasonable return on rate base in 2014.
- NP-NLH-256 Further to response to Request for Information NP-NLH-028:
- Please explain why Hydro is not proposing to make adjustments to the 2013 Test Year to ensure that the rates established for 2014 reflect costs that will be incurred in 2014.
- NP-NLH-257 Does Hydro agree that the *Electrical Power Control Act, 1994* and *Public Utilities Act* require the Board approve rates for 2014 that reasonably reflect the cost of service in 2014? If not, why not?
- NP-NLH-258 Does Hydro believe that OC2013-089 prevents the Board from making adjustments to the 2013 Test Year to allow the rates established for 2014 to reasonably reflect the cost to provide service in 2014? Please provide an explanation for the response.

- NP-NLH-259 Further to response to Request for Information NP-NLH-184:
Please confirm the wording of OC2013-089 required the use of a “2013 Test Year” and that OC2013-089 did not require that customer rates be based upon the “forecast 2013 costs of provision of service” as stated in Request for Information NP-NLH-184.
- NP-NLH-260 Further to response to Request for Information NP-NLH-184:
Given the proposed rates are to be in effect for 2014, please describe how Hydro’s General Rate Application reconciles the requirement that rates should reasonably reflect costs for 2014 and the use of a 2013 Test Year with no adjustments for known differences in costs between 2013 and 2014.
- NP-NLH-261 Further to response to Request for Information NP-NLH-155:
Please update the analysis of hydraulic data provided in the response to provide the expected value of production for 2014 rather than 2013.
- NP-NLH-262 Is Hydro planning to update the 2013 Test Year to reflect a more recent estimate of the forecast 2013 costs of provision of service. If yes, when?
- NP-NLH-263 Please provide the forecast 2013 Test Year and 2014 forecast hydraulic production by month and, for 2013 Test Year, indicate which months reflect actual production vs. forecast production.

Island Interconnected System Hydraulic Production Forecast (GWh)				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (GWh) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-264

Please provide the forecast 2013 Test Year and 2014 Holyrood production by month and, for 2013 Test Year, indicate which months reflect actual production vs. forecast production. For any months that reflect actual production, please indicate if the production data has been normalized for abnormal weather effects on customer load requirements.

Holyrood Production Forecast (GWh)				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (GWh) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-265

Please provide the forecast Island Interconnected System sales for the 2013 Test Year and 2014 by month and, for 2013 Test Year, indicate which months reflect actual sales vs. forecast sales. For any months that reflect actual sales, please indicate if the sales data has been normalized for abnormal weather effects on customer load requirements.

Island Interconnected System Sales Forecast (GWh)				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (GWh) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-266

Please provide the forecast Holyrood No. 6 fuel cost per bbl for the 2013 Test Year and 2014 by month and, for 2013 Test Year, indicate which months reflect actual vs. forecast.

Holyrood Fuel Cost per bbl				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (cost per bbl) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-267

Please provide the forecast average diesel fuel cost per litre by month for the Hydro Rural Isolated Systems for the 2013 Test Year and 2014 and, for the 2013 Test Year, indicate which months reflect actual vs. forecast.

Hydro Rural Isolated Systems – Average Diesel Fuel Cost per Litre				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (cost per litre) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-268

Please provide the forecast power purchases (GWh) by month for the Island Interconnected and Hydro Rural Systems for the 2013 Test Year and 2014 and, for the 2013 Test Year, indicate which months reflect actual vs. forecast. For any months that reflect actual purchases, please indicate if the purchases data has been normalized to reflect purchases based upon normal wind and water levels.

Power Purchases - Island Interconnected and Hydro Rural Systems (GWh)				
	2013 Test Year (A)	2013 Actual/Forecast	2014 Forecast (B)	Year over Year Change (GWh) (C = B-A)
January		(i.e., Actual or Forecast)		
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total				

NP-NLH-269

Please explain what the cost of service exclusion amount for 2012 of \$113,000 on line 24 represents and why it was not included in return 12 of Hydro's 2012 annual financial return filed pursuant to Section 59(2) of the *Public Utilities Act*. (Finance Evidence, Schedule I, Page 5 of 11)

NP-NLH-270

Please provide the complete 2014 Cost of Service Study prepared for response to Request for Information NP-NLH-029 in both (i) paper format and (ii) digital format (excel spreadsheet).

NP-NLH-271

Please prepare a 2013 Test Year Pro-forma Cost of Service Study reflecting the following adjustments:

- (i) replace the 2013 Test Year sales forecast with the 2014 sales forecast;
- (ii) replace the 2013 Test Year hydraulic production with 2014 forecast normal hydraulic production;
- (iii) replace the 2013 Test Year Holyrood fuel consumption with the 2014 forecast Holyrood fuel consumption;

- (iv) replace the 2013 Test Year Holyrood fuel price forecast with the 2014 Holyrood fuel price forecast;
- (v) replace the 2013 Test Year Holyrood fuel conversion factor with the 2014 forecast Holyrood fuel conversion factor;
- (vi) replace the 2013 Test Year Purchase Costs with 2014 forecast purchase costs; and
- (vii) replace the 2013 Test Year Isolated diesel fuel costs with 2014 forecast diesel fuel costs.

NP-NLH-272

Further to response to Request for Information NP-NLH-097:

OC2003-347 permitted the elimination of the lifeline block and the implementation of a demand/energy rate structure for general service customers on isolated systems. OC2003-347 also directed that the new rates should target the current cost recovery level for these customers.

Please provide the cost recovery level for general service customers on isolated systems for each year from 2003 to 2014 forecast compared to the OC2003-347 targeted cost recovery levels and explain Hydro's process for ensuring the targeted cost recovery level is maintained.

NP-NLH-273

Further to response to Request for Information NP-NLH-029, Attachment 1:

Please confirm that Attachment 1 shows Hydro's revenues at proposed rates when compared to 2014 forecast costs (derived from a 2014 forecast cost of service study) indicate that the 2014 revenue to cost ratio for the Island Industrial Customers would equal 1.05. If confirmed, please explain why a revenue to cost ratio of 1.05 is appropriate when setting rates for the Island Industrial Customers for 2014.

NP-NLH-274

Further to response to Request for Information NP-NLH-031:

Please update the forecast RSP Load Variation Transfers by year for 2014 to 2017 inclusive, assuming 2014 rates are determined based upon a 2013 Test Year that is adjusted to

- (i) replace the 2013 Test Year sales forecast with the 2014 sales forecast;
- (ii) replace the 2013 Test Year hydraulic production with 2014 forecast normal hydraulic production;
- (iii) replace the 2013 Test Year Holyrood fuel consumption with the 2014 forecast Holyrood fuel consumption;
- (iv) replace the 2013 Test Year Holyrood fuel price forecast with the 2014 Holyrood fuel price forecast;
- (v) replace the 2013 Test Year Holyrood fuel conversion factor with the 2014 forecast Holyrood fuel conversion factor;
- (vi) replace the 2013 Test Year Purchase Costs with 2014 forecast purchase costs; and

- (vii) replace the 2013 Test Year Isolated diesel fuel costs with 2014 forecast diesel fuel costs.

NP-NLH-275

Further to response to Request for Information NP-NLH-032:

Please update the forecast RSP rate changes to Newfoundland Power's customers by year from 2014 to 2017 inclusive, assuming 2014 rates are determined based upon a 2013 Test Year that is adjusted to

- (i) replace the 2013 Test Year sales forecast with the 2014 sales forecast;
- (ii) replace the 2013 Test Year hydraulic production with 2014 forecast normal hydraulic production;
- (iii) replace the 2013 Test Year Holyrood fuel consumption with the 2014 forecast Holyrood fuel consumption;
- (iv) replace the 2013 Test Year Holyrood fuel price forecast with the 2014 Holyrood fuel price forecast;
- (v) replace the 2013 Test Year Holyrood fuel conversion factor with the 2014 forecast Holyrood fuel conversion factor;
- (vi) replace the 2013 Test Year Purchase Costs with 2014 forecast purchase costs; and
- (vii) replace the 2013 Test Year Isolated diesel fuel costs with 2014 forecast diesel fuel costs.

NP-NLH-276

Please update the table of proposed rate changes provided on page 3 of the transmittal letter accompanying the General Rate Application assuming 2014 rates are determined based upon a 2013 Test Year that is adjusted to

- (i) replace the 2013 Test Year sales forecast with the 2014 sales forecast;
- (ii) replace the 2013 Test Year hydraulic production with 2014 forecast normal hydraulic production;
- (iii) replace the 2013 Test Year Holyrood fuel consumption with the 2014 forecast Holyrood fuel consumption;
- (iv) replace the 2013 Test Year Holyrood fuel price forecast with the 2014 Holyrood fuel price forecast;
- (v) replace the 2013 Test Year Holyrood fuel conversion factor with the 2014 forecast Holyrood fuel conversion factor;
- (vi) replace the 2013 Test Year Purchase Costs with 2014 forecast purchase costs; and
- (vii) replace the 2013 Test Year Isolated diesel fuel costs with 2014 forecast diesel fuel costs.

NP-NLH-277

Further to response to Request for Information NP-NLH-028:

Please provide an itemized listing of 2013 Test Year costs that were impacted by abnormal weather (temperature, wind, precipitation etc.). For

each such cost, please provide an estimate of what the forecast 2013 Test Year cost would be if it was based on normal weather.

NP-NLH-278 In Order No. P.U. 29 (2013), the Board effectively deferred consideration of a final form of load variation allocation for Hydro's RSP. Does Hydro plan to file evidence as part of the General Rate Application to modify the RSP rules for the treatment of load variation? If yes, when will the evidence be filed?

NP-NLH-279 Further to response to Request for Information NP-NLH-158:

The addition of the St. Lawrence Wind Farm (in-service 2008) and the Fermeuse Wind Farm (in-service 2009) were justified to provide energy savings. From a cost causality perspective, does this justification suggest the purchased power cost should be classified as 100% energy-related in the cost of service study? Please provide a detailed explanation.

NP-NLH-280 Please provide a summary of utility practices in Canada and the United States with respect to the embedded cost of service approach for classification of purchases from wind generation between demand and energy.

NP-NLH-281 Further to response to Request for Information NP-NLH-147:

The response to Request for Information NP-NLH-146 shows a material increase in the forecast capacity factor at Holyrood over the period 2014-2017 (i.e., a low of 35% in 2014 to a high of 45% in 2016 and 2017) as compared to the 5-year historical average (approximately 22%). Does the forecast material increase in the capacity factor merit consideration in determining the appropriate Holyrood capacity factor to be used in the 2013 Test Year?

NP-NLH-282 Further to response to Request for Information IN-NLH-108:

Please complete the following table providing a comparison of forecast average unit revenue from Island Industrial Customers (i.e., base rate) under the proposed rate to become effective January 1, 2014 to the forecast average unit cost of serving Island Industrial Customers for the same period.

Forecast Unit Revenue vs Forecast Cost to Serve for Island Industrial Customers				
(¢ per kWh)				
	2014	2015	2016	2017
Average Unit Revenue ¹				
Average Unit Cost to Serve				

¹ Based upon the proposed base rate to become effective January 1, 2014.

NP-NLH-283 Further to response to Request for Information IN-NLH-108:

Please complete the following table providing a comparison of forecast average unit revenue from Newfoundland Power (i.e., base rate) under the proposed rate to become effective January 1, 2014 to the forecast average unit cost of serving Newfoundland Power for the same period.

Forecast Unit Revenue vs Forecast Cost to Serve for Newfoundland Power (¢ per kWh)				
	2014	2015	2016	2017
Average Unit Revenue ¹				
Average Unit Cost to Serve ²				

^{1.} Based upon the proposed base rate to become effective January 1, 2014.

^{2.} For the comparison include the rural deficit in computing the average cost to serve.

NP-NLH-284 Further to response to Request for Information NP-NLH-035:

Please compare the Hydro Rural Deficit allocation to Newfoundland Power and Labrador Interconnected customers for the 2007 Test Year and the 2013 Test Year on a ¢ per kWh basis.

Hydro Rural Deficit Allocation				
	2007 Test Year	2013 Test Year	Difference	
	¢ per kWh	¢ per kWh	¢ per kWh	%
Newfoundland Power				
Labrador Interconnected (Rural)				

NP-NLH-285 Further to response to Requests for Information NP-NLH-123 and NP-NLH-150:

Please reconcile the response of Lummus Consultants (response to Request for Information NP-NLH-123) which indicates the wholesale demand charge provides a benchmark for Newfoundland Power in assessing load management initiatives, with Hydro's position (response to Request for Information NP-NLH-150) which indicates that a more than doubling of the wholesale demand charge should not be interpreted by Newfoundland Power as a signal for assessing conservation and demand management initiatives.

- NP-NLH-286 Provide the balance in the Net Hydraulic Production Variation component of the Rate Stabilization Plan at the end of November 2013 and the forecast balance for year-end 2013.
- NP-NLH-287 Further to response to Request for Information NP-NLH-018:
- Please provide a revised version of year-end balances the RSP Hydraulic Production Variation Component provided in response to Request for Information NP-NLH-018 assuming that the full balance at year-end 2006 had not been refunded to customers (i.e., assume 25% of the year-end balances was disposed of through the annual RSP adjustment).
- NP-NLH-288 Further to response to Request for Information NP-NLH-018:
- The RSP balance resulting from the Hydraulic Production Variation component has remained in a credit position of at least \$30 million since 2008. At Hydro's 2001 General Rate Application, Grant Thornton suggested shifting the RSP recovery method from a declining balance approach to a straight-line method to achieve a disposition/recovery period over a shorter time frame.
- Does Hydro believe changing the recovery period for the balance in the Hydraulic Production Variation component from a declining balance approach over a 4-year period to a straight-line (or discrete) approach using a 3 year or 4 year time-frame would be more effective in disposition of the balance over a shorter time frame? In the response, please discuss the advantages and disadvantages of the current approach vs. the straight-line alternatives.
- NP-NLH-289 Further to response to Request for Information PUB-NLH-004:
- Please provide a copy of the license issued by the Provincial Government to Nalcor for the operation of the Exploits Generation facilities.
- NP-NLH-290 Further to response to Request for Information NP-NLH-020:
- In the response to Request for Information PUB-NLH-008, Hydro provides in Attachment 1, a letter indicating the Government of Newfoundland and Labrador's intention to transfer ownership of the Exploits River Generation Facilities to Hydro by June 2014. Please explain why the effect of this material event has not been included in the 2014 forecast provided in response to Request for Information NP-NLH-020.

NP-NLH-291 Further to response to Request to Information PUB-NLH-008, Attachment 1:

Has the government of Newfoundland and Labrador indicated the price at which it expects to transfer ownership of the Exploits River Generation Facilities to Hydro by June 30, 2014?

NP-NLH-292 Further to response to Request for Information PUB-NLH-008, Attachment 1:

How does Hydro intend to finance the transfer of Exploits River Generation Facilities from the Provincial Government to Hydro that is proposed to occur by June 2014?

NP-NLH-293 Further to response to Request for Information PUB-NLH-008, Attachment 1:

Does Hydro intend to file an application to the Board in accordance with sections 64, 65, and 66 of the *Public Utilities Act* to determine the value of the Exploits River Generation Facilities?

NP-NLH-294 Further to response to Request for Information PUB-NLH-008, Attachment 1:

Does Hydro expect the transfer of Exploits River Generation Facilities from the Provincial Government to Hydro will result in an increase or a decrease in Island Interconnected rates?

NP-NLH-295 Further to Regulated Activities – Schedule II:

Provide the Transmission Losses as a percent of Total Deliveries by year for the period 2006 to 2018F.

Year	Total Deliveries (GWh)	Holyrood Production (GWh)	Transmission Losses (GWh)	Transmission Losses as a % of Total Deliveries	Transmission Losses as a % of Holyrood Production
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013F					
2014 F					
2015F					
2016F					
2017F					
2018F					

- NP-NLH-296 Further to Regulated Activities – Schedule II:
Please provide Hydro’s methodology for calculating “Transmission Losses” on the Island Interconnected System.
- NP-NLH-297 Further to Regulated Activities – Schedule II:
Please provide a detailed calculation of the 2013 Forecast “Transmission Losses” of 230.8 GWh for the Island Interconnected System. Please include all data used throughout the calculation.
- NP-NLH-298 Further to response to Request for Information NP-NLH-137:
Please quantify the “additional demolition costs” referred to in the passage from the Holyrood Thermal Generating Station (Decommissioning Study) cited in Request for Information NP-NLH-137.
- NP-NLH-299 Further to response to Request for Information NP-NLH-091:
Please provide a revised amortization expense and accretion expense assuming the “additional demolition costs” quantified in the response to Request for Information NP-NLH-298 are removed from the ARO calculation used in the 2013 Test Year.
- NP-NLH-300 Further to response to Request for Information V-NLH-002, Attachment 1:
Please identify which 2013 project expenditures listed in Attachment 1 are included in the 2013 Test Year forecast.
- NP-NLH-301 Further to response to Request for Information V-NLH-002, Attachment 1:
Please provide a status update for each project identified in the response to Request for Information NP-NLH-300, and provide the 2013 actual and forecast expenditures for each.
- NP-NLH-302 Does Hydro believe it is appropriate to include forecasts of extraordinary capital additions such as the 60 MW gas turbine, which have not yet been approved by the Board, in the evaluation of the reasonableness of future rates? If so, why?

NP-NLH-303

Further to response to Request for Information NP-NLH-003:

Please complete the following table:

Hydro Reliability Measures			
Type	5 Year Average 2009-2013 (YTD)	NLH 2013 (YTD) Actual	% Difference (+ or -)
SAIFI (Tx)			
SAIDI (Tx)			
SAIFI (Dn)			
SAIDI (Dn)			
DAFOR			
UFLS			

Notes:

SAIFI = System Average Interruption Frequency Index

SAIDI = System Average Interruption Duration Index

DAFOR = Derating Adjusted Forced Outage Rate

UFLS = Underfrequency Load Shedding

Tx = Transmission

Dn = Distribution

NP-NLH-304

Further to response to Request for Information NP-NLH-003:

Please complete the following table:

Holyrood Fuel Conversion Factor – 2013 Actual (YTD)			
Month	Net Energy Produced (kWh)	Fuel Consumption (bbl)	Actual Conversion Factor (kWh/bbl)
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Total			

NP-NLH-305

Further to response to Request for Information IC-NLH-051, please summarize the frequency of requests for Newfoundland Power's generation in the following tables. On days when Newfoundland Hydro requested Newfoundland Power to provide generation through two requests (e.g., one request at 7 am for 2 hours and one request at 5 pm for 2 hours), please include this scenario as two requests for that day.

Table 1 Requests for Newfoundland Power's Generation – Winter¹ Periods (# of requests)			
Year	Hydraulic	Thermal	Total
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
Total			

1 Assume Winter Period includes December to March inclusive.

Table 2 Requests for Newfoundland Power's Generation – Non- Winter Periods (# of requests)			
Year	Hydraulic	Thermal	Total
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
Total			

NP-NLH-306

Further to response to Request for Information IC-NLH-051:

Please confirm the analysis of the generation credit impact on revenue requirement provided in Attachment 1 is based upon the exclusion of the full amount of the generation credit (i.e., 122.8 MW = 86.8 MW hydraulic generation credit + 36.0 MW thermal generation credit). Please explain why this is appropriate given Newfoundland Power's hydraulic generation is in operation at time of system peaks (see 2013 forecast provided response to Request for Information IC-NLH-028). In the response please explain why the analysis of the revenue requirement effect of the generation credit does not reflect solely the peak load effect of the thermal generation credit?

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 18th day of December, 2013.



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