



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

2016-02-23

Mr. Geoff Young  
Newfoundland and Labrador Hydro  
P.O. Box 12400  
Hydro Place, Columbus Drive  
St. John's, NL A1B 4K7

Dear Sir:

**Re: Newfoundland and Labrador Hydro - Approval of a 2016 Standby Fuel Deferral Account for Fuel Consumed in Combustion Turbines and Diesel Generators - Requests for Information**

Enclosed are Information Requests PUB-NLH-001 to PUB-NLH-009 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](mailto:jglynn@pub.nl.ca) or telephone (709) 726-6781.

Yours truly,

Cheryl Blundon  
Board Secretary

/cpj

Encl.

ecc.

**Newfoundland & Labrador Hydro**

NLH Regulatory, E-mail: [NLHRegulatory@nlh.nl.ca](mailto:NLHRegulatory@nlh.nl.ca)

**Newfoundland Power Inc.**

Mr. Gerard Hayes, E-mail: [ghayes@newfoundlandpower.com](mailto:ghayes@newfoundlandpower.com)

**Consumer Advocate**

Mr. Thomas Johnson, Q.C., E-mail: [tjohnson@odeaearte.ca](mailto:tjohnson@odeaearte.ca)

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**Industrial Customer Group**

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**Vale Newfoundland and Labrador Limited**

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**Praxair Canada Inc.**

Ms. Sheryl Nisenbaum, E-mail: [sheryl\\_nisenbaum@praxair.com](mailto:sheryl_nisenbaum@praxair.com)

Mr. David Meade, E-mail: [dave\\_meade@praxair.com](mailto:dave_meade@praxair.com)

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  
10 Hydro for approval of for approval of a deferral  
11 account for diesel fuel consumed in 2016 to  
12 provide capacity and energy to the Island  
13 Interconnected System, pursuant to section 70  
14 of the *Act*.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

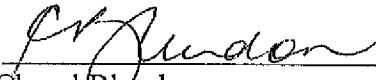
**PUB-NLH-001 to PUB-NLH-009  
Issued: February 23, 2016**

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- 1     **PUB-NLH-001**     Provide a description of Hydro's preventive maintenance plan as it relates to  
2     the inspection of boiler tubes including but not limited to:  
3     i.   the schedule for the testing of the various boiler tubes (broken down  
4     by specific areas) at the Holyrood Thermal Generating Plant;  
5     ii.  the last recorded preventive maintenance testing of the boiler tubes for  
6     Unit 1 and Unit 2; and  
7     iii. the results of the last recorded preventive maintenance testing or of  
8     any other testing that occurred.  
9
- 10    **PUB-NLH-002**     Describe Hydro's strategy for maintaining boiler tubes at the Holyrood  
11    Thermal Generating Station including but not limited to:  
12    i.   criteria used to determine when boiler tube replacement is required;  
13    ii.  replacement strategy and scheduling;  
14    iii. information relating to spare parts; and  
15    iv.  Hydro's winter readiness strategies.  
16
- 17    **PUB-NLH-003**     Would Hydro require a deferral account due to low hydrology if Holyrood  
18    was operating at full capacity? Why or why not?  
19
- 20    **PUB-NLH-004**     What would the cost of additional Holyrood generation to customers be if  
21    Holyrood was able to run at peak capacity and diesel generation was not  
22    required for base load?  
23
- 24    **PUB-NLH-005**     Provide the average cost to produce a GWh at Holyrood using No. 6 fuel and  
25    the average cost to produce a GWh using diesel.  
26
- 27    **PUB-NLH-006**     Provide an overview of the Vista Hydrology program ("Vista") including the  
28    input sources of information.  
29
- 30    **PUB-NLH-007**     Provide the Vista recommendations from the start of the 4<sup>th</sup> quarter of 2015 to  
31    January 4, 2016 when the shift in generation mix was implemented.  
32
- 33    **PUB-NLH-008**     Describe the actions taken by Hydro during the three months prior to the  
34    generation shift of January 4, 2016 noting any discrepancies with Vista  
35    recommendations.  
36
- 37    **PUB-NLH-009**     Hydro states in the Application on page 1, lines 10-12, "*Hydro's current*  
38    *position is that low precipitation levels in late 2015 and to date in 2016 have*  
39    *reduced storage levels. Therefore, an increase in thermal generation, more*  
40    *than is currently provided for in rates charged to customers, is required*".  
41    Considering this statement and that the definition of the deferral account  
42    contained in Appendix B does not reference generation costs for hydrology  
43    issues, please explain how Hydro will ensure the fuel charged to this account  
44    will be for hydrology and how an objective examination of the annual balance  
45    in the deferral account can verify that the accrual results from this purpose  
46    only.

**DATED** at St. John's, Newfoundland this 23<sup>rd</sup> day of February 2016.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per   
Cheryl Blandon  
Board Secretary