

Requests for Information

1 NP-CA-019 **Reference: *Comments on Newfoundland Power’s 2022 Capital Budget***
2 ***Application*, Elenchus Research Associates Inc., August 13, 2021, page**
3 **31, lines 6-11.**

4
5 **“NP’s response CA-NP-001 shows that there are two years in which**
6 **NP’s approved capital expenditures differed from requested capital**
7 **expenditures in the past 25 years. The Board disallowed 0.9% of**
8 **requested capital expenditures in NP’s 2003 CBA and disallowed**
9 **3.15% of requested capital expenditures in NP’s 2004 CBA. Approved**
10 **amounts were equal to requested amounts in all other years. To**
11 **provide some context for this observation, Elenchus has identified**
12 **examples of disallowances in other jurisdictions.”**

13
14 **QUESTION: Has Elenchus identified any examples of disallowances in this**
15 **jurisdiction other than the NP disallowances noted in the referenced**
16 **section? If so please list them. If not, why not?**

17
18 **RESPONSE: Elenchus has identified the following examples of PUB disallowances of**
19 **NLH since 2010:**

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21 • In its decision on NLH’s 2012 Capital Budget Application, Phase
22 I¹⁷ the PUB disallowed the costs of five capital projects
23 representing 7.4% of the proposed 2012 capital budget, plus
24 amounts proposed for those projects in 2013 and 2014.
- 25
26 • Upgrade Burnt Dam Spillway, Bay d’Espoir (\$1,178,960 of
27 proposed \$1,702,800 was disallowed)
- 28
29 • Increase Generation Capacity, Mary’s Harbour (\$1,489,400)
- 30
31 • Upgrade Transmission Line Access Trails, Stoney Book to
32 Springdale (\$313,000)
- 33
34 • Rewind Stator Units 1 and 3, Bay d’Espoir (\$5,054,200 in 2013
35 and \$3,634,600 in 2014)
- 36
37 • Install Additional 230kV Transformer, Oxen Pond (\$3,535,200 in
38 2012, \$3,354,100 in 2013, and \$3,650,200 in 2014)
- 39
40 • In its decision on Phase II of NLH’s 2012 Capital Budget
41 Application,¹⁸ which dealt with the Holyrood Thermal Generating

¹⁷ P.U. 2(2012), pages 22 and 28.

¹⁸ P.U. 5(2012), page 13.

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- 1 Station, the PUB disallowed an additional 9.5% of NLH's capital
2 budget.
3
4 • Upgrade Marine Terminal, Holyrood (\$5,859,600)
5
6 • Install Plant Operator Training Simulator, Holyrood (\$1,028,200 in
7 2012 and \$1,072,700 in 2013)
8
9 • Replace Fuel Oil Heat Tracing, Holyrood (\$1,474,300 in 2012 and
10 1,413,900 in 2013)¹⁹
11
12 • In its decision on NLH's 2013 Capital Budget Application,²⁰ the
13 PUB disallowed the costs of two capital projects representing 1%
14 of the proposed capital budget:
15
16 • Front End Engineering Design (\$472,100)
17
18 • Automated Fuel Monitoring System, Upper Salmon (\$192,700)

¹⁹ This project was approved, but cost recovery related to the project was not approved in the PUB decision.

²⁰ P.U. 4(2013), page 20. Front End Engineering Design was disallowed as it pertained to costs incurred for projects commencing in 2014. The Automated Fuel Monitoring System was approved, but costs were disallowed pending verification of a waiver from legislative requirements.