Office of the Consumer Advocate

PO Box 23135
Terrace on the Square
St. John's, NL Canada
A1B 4J9

Tel: 709-724-3800
Fax: 709-754-3800

August 20, 2024

Via Email

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

Attention: Jo Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power Inc. - 2025 Capital Budget Application
– Requests for Information CA-NP-001 to CA-NP-192

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NP-001 to CA-NP-192.

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

Yours truly,

Dennis Browne, KC
Consumer Advocate

Encl.
/bb

cc **Newfoundland Power Inc.**
Dominic J. Foley (dfoley@newfoundlandpower.com)
NP Regulatory (regulatory@newfoundlandpower.com)

Newfoundland & Labrador Hydro
Shirley Walsh (ShirleyWalsh@nlh.nl.ca)
NLH Regulatory (nlhregulatory@nlh.nl.ca)

Board of Commissioners of Public Utilities
Jacqui Glynn (jglynn@pub.nl.ca)
Colleen Jones (cjones@pub.nl.ca)
Katie Philpott (kphilpott@pub.nl.ca)
Board General (board@pub.nl.ca)

IN THE MATTER OF the *Public Utilities Act* (the *"Act"*); and

IN THE MATTER OF an application by Newfoundland Power Inc. for an Order pursuant to sections 41 and 78 of the Act:
(a) approving its 2025 Capital Budget; and
(b) fixing and determining its 2023 rate base.

CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-001 to CA-NP-192

Issued: August 20, 2024

CA-NP-001 (Reference Cover Letter to Application) It is stated "*Projects and programs $750,000 and under are outlined in Schedule C to the Application including a description of each project or program.*"

a) Under the Act, can NP proceed with any capital project or program with a cost that is less than $750,000 without prior Board approval?
b) Are costs for these projects/programs included in rate base with pass-through of the cost to customers guaranteed whether or not the project is shown to be prudent?
c) How will the prudence of such projects be audited?
d) How is the $750,000 threshold applied; e.g., to individual projects, projects that are a component of a larger program, projects that might be a component of a larger project; e.g., replacement of a faulty breaker at a substation that is undergoing refurbishment?

CA-NP-002 (Reference Application, para. 2)

a) Is NP requesting Board approval of capital expenditures totaling $184,209,000 in the 2025 Capital Budget Application including $164,498,000 in new expenditures (includes $55,961,000 which would be expended in 2026 and 2027) and $19,711,000 for projects that were previously approved by the Board?
b) Please provide a comparison of the expenditures in part a) relating to the 2025 CBA to comparable figures in the 2024 CBA, both proposed and approved, and show the increase in both dollars and percent.
c) Please identify any other capital expenditures in 2025 that are not included in these figures such as expenditures for which NP anticipates seeking approval through supplemental capital budget applications.
d) NP indicates (Application, para. 3) that in 2025 it intends to demand $2.5 million in contributions in aid of construction from its customers. Does this mean that of the $184,209,000 expenditure proposed in the 2025 CBA, the amount of $181,709,000 (i.e., $184,209,000 - $2,500,000) will be added to rate base and that $2,500,000 will not be added to rate base?
e) The $297,000 for 2026 identified in para. 2(d) is not mentioned in para. 9. Please clarify.

CA-NP-003 (Reference Application) Please provide a table of annual values from 1994 to 2026 inclusive (with forecasts for 2024 through 2026) for the following items: NP's net plant investment, NP's rate base, number of customers, the GDP deflator, net plant investment expressed in real terms using the GDP deflator, rate base expressed in real terms using the GDP deflator, net plant in real terms per customer, and real rate base per customer.

CA-NP-004 (Reference Application) Please provide a table of the annual values from the years 1994 to 2026 inclusive (with forecasts for 2024 through 2026) for the following items: NP's total capital expenditure, the GDP deflator, NP's total

capital expenditure expressed in real terms using the GDP deflator, the number of customers, real capital expenditures per customer.

CA-NP-005 (Reference Application) Please provide a table and graph showing for the years 1994 through 2026 (forecasts for the years 2024 through 2026) annual gross operating cost, operating expenses, and depreciation cost.

CP-NP-006 (Reference Application For each year from 1994 to 2026 (with estimates/forecasts for 2024 through 2026), please provide the following:

a) A table showing the total number of NP customers by customer class, with the domestic customers decomposed by regular and all electric.
b) A table showing the annual total sales, in MWh, to each group of customers as requested in (a).
c) A table showing the annual total sales, in MWh, per customer for each group of customers as requested in (a).

CA-NP-007 (Reference Application) Please confirm that the 2025 capital budget application does not include any costs for electrification programs.

CA-NP-008 (Reference Application) Please provide a table showing for each year from 1994 to 2024 the capital budget amounts proposed by NP in its capital budget applications and approved by the Board, and identifying the specific projects and budget amounts that were not approved along with the reasons given by the Board for rejecting the capital expenditure(s).

CA-NP-009 (Reference Application) Please provide a list of the dates for all oral/public hearings that the Board has held on NP's capital budget applications since 1994.

CA-NP-010 (Reference Application) The Board, in Order No. P.U. 36 (2021) "*acknowledged the rate pressures which are expected in association with the commissioning of the Muskrat Falls Project. The Board believes that, given the circumstances, both Newfoundland Power and Hydro should renew their efforts to provide evidence which demonstrates that every effort is being made to reduce costs for customers while ensuring the continued provision of reliable service.*"

a) Please explain NP efforts to reduce costs for customers in the 2025 CBA in light of rate pressures brought on by Muskrat Falls.
b) Please provide any documentation from NP senior management to line managers with respect to the 2025 CBA relating to budget control, prioritization and cost efficiencies in light of rate pressures brought on by the Muskrat Falls Project.

CA-NP-011 (Reference Application) What changes has NP made to its asset management plan and practices since filing its 2024 Capital Budget Application?

CA-NP-012 (Reference Application) Please provide a summary of all benchmarking exercises performed by NP relating to costs and performance that have been incorporated in the 2025 Capital Budget Application. Specifically, please show how Newfoundland Power spending and performance compare to a peer group and provide relevant information on each peer included in the group.

CA-NP-013 (Reference Application) In the 2025-2029 Capital Plan it is stated (page 2) "*Newfoundland Power's investment priorities and five-year capital plan reflect the capital expenditures necessary to meet its statutory obligations under the Public Utilities Act and Electrical Power Control Act, 1994.*" The 2025 Capital Budget Overview (page 2) states "*The Electrical Power Control Act, 1994 contains the provincial power policy, which requires that power be delivered to customers at the lowest possible cost, in an environmentally responsible manner, consistent with reliable service.*"

a) If the Board were to order any amount less than the amounts requested in the 2025 CBA, would NP be able to meet its statutory obligations under the provincial legislation?
b) What is NP's mandate?
c) Please provide NP's definition of "reliable service" and all reliability criteria used to define "reliable service".
d) Please provide NP's definition of "environmentally responsible manner".
e) Please cite references in the 2025 CBA supporting the requirement that projects and programs will be undertaken in an environmentally responsible manner.
f) Specifically, how does NP incorporate the requirement that service be provided in an environmentally responsible manner? Does NP meet only legislated requirements relating to the environment or does it go beyond legislated requirements, and if so, what parameters and criterion are used to determine how far NP should go beyond legislated requirements? Please cite examples in the 2025 CBA.

CA-NLH-014 (Reference NL Hydro's 2025 CBA, 2025 Capital Budget Overview, pages 1 and 2) It is stated "*Hydro conducted a digital engagement process where it asked customers to share their thoughts on the costs and reliability of the province's electrical grid. As part of that process, four out of five customers told Hydro they believed the system was reliable and 87% said they did not want to pay more for reliability improvements that led to fewer or shorter outages. Customers largely prioritize the lowest impact on electricity rates rather than other factors, and Hydro is mindful of this concern as it continues asset management planning.*"

a) What role did Newfoundland Power play in NL Hydro's digital engagement process?
b) Does NP believe that the results of NL Hydro's digital engagement process properly reflect the "thoughts" of Newfoundland Power's customers relating to reliability and cost? Why or why not?
c) Did NP engage stakeholders and customers to inform its 2025 CBA? If so, please provide all such documentation.

CA-NP-015 (Reference 2025 Capital Budget Overview, page 8) In the June 26, 2024 transcript relating to the 2025-2026 GRA (pages 95-96), Mr. Chubbs indicates that he "***feels***" that targeting a level of reliability that is 40% better than the Canadian average is least cost. More specifically, he states "*the reliability of the electricity system is least cost for our customers.*" With respect to NP's reliability:

a) Is NP targeting a SAIDI that is 40% better than the Canadian average?
b) Does NP consider a target SAIDI level that is 40% better than the Canadian average least cost? If so, please provide supporting documentation.
c) Please identify other Canadian utilities that are targeting reliability levels that are substantially better than the Canadian average because it is least cost.
d) Please identify all costs expended by NP in recent years to bring SAIDI to a level that is 40% better than the Canadian average.
e) Would there be a cost associated with bringing reliability up to a level that is 60% better than the Canadian average? If so, please provide supporting documentation.
f) Would there be a savings associated with targeting a level of reliability that reflects the Canadian average? If so, please identify the programs/projects that could be cut and the resultant savings. If not, please explain why not.
g) If the Board were to reduce, eliminate or delay NP spending on capital programs associated with technology and automation would reliability be impacted?
h) Would smart meters be expected to improve reliability?

CA-NP-016 (Reference Application) In the June 26, 2024 transcript relating to the 2025-2026 GRA (page 135-136) Mr. Chubbs states with respect to smart meters "*So we've studied it a number of times, right, to see whether it's least cost or not and what came out of the Dunsky study was that it could become least cost within the next decade, right, and with a big shift in technology like that and a five-year implementation, so we're talking now it could be five years from implementing, right, so we're continually looking and evaluating.*"

a) Please provide NP's most recent evaluation of the costs and benefits of smart meters referenced by Mr. Chubbs in the above statement that shows smart meters are not consistent with the provision of least cost service.

b) Please identify utilities that are replacing their current metering technology with AMR technology.
c) The unit cost of smart meters installed by New Brunswick Power is about $350 ($122 million / 350,000 homes province-wide) (https://globalnews.ca/news/4012023/smart-meter-program-nb/). Would NP expect a similar unit cost to install smart meters for its customers?
d) What would be the average monthly customer bill impact if a $350 smart meter were recovered over the life of the meter? Please provide all assumptions used in the calculation.
e) What is NP's current average cost for an AMR meter, including installation?
f) What is the average monthly customer bill impact over the life of the meter when NP installs an AMR meter at a new customer site? Please provide all assumptions used in the calculation.
g) Are any of the street lights replaced under the LED street lighting replacement program being replaced before the end of their useful life?
h) Please file a copy of the Energy Solutions Potential Study undertaken by the Posterity Group.

CA-NP-017 (Reference Application) In Mr. Bowman's response to PUB-CA-026 relating to the 2025-2026 GRA, he states "*Narragansett Electric Company in Rhode Island indicates that its smart meter program has a revenue to cost ratio of 3.9. The cost of the program is expected to result in a bill increase over the first five years of $2.46. This equates to about 5.6 cents Canadian per month over the first 5 years of the program. After that, bills would decrease.*"

a) Please identify all projects/programs in NP's 2025 CBA, and all NP CBAs since 2020, that have a benefit to cost ratio that exceeds 3.9.
b) Please identify the increase in the average customer bill in the five-year period following implementation of the electrification program proposed by NL Hydro and NP in the Electrification, Conservation and Demand Management Plan 2021-2025. Exclude the impacts of the conservation and demand management plan.

CA-NP-018 (Reference Application) For each project and program in the 2025 CBA:

a) Please quantify the unit cost associated with improvements in system reliability and risk profile resulting from the project and program.
b) Please quantify the value customers place on the improvements in system reliability and risk reduction and compare it to the cost of the project or program.
c) Please provide a comparison of the proposed improvements in system reliability and risk reduction compared to other projects and programs being proposed and other alternatives that are available.

CA-NP-019 (Reference Application) How has NP ensured that its 2025 Capital Budget provides an appropriate balance between reliability, environment, rate impacts, and the value customers place on service?

CA-NP-020 (Reference Application) Has NP determined the risk mitigation value provided by its asset management program (i.e., the difference between baseline risk and residual risk) used to develop its 2025 CBA?

CA-NP-021 (Reference Application) Has NP quantified the reliability improvement resulting from its asset management program used to develop its 2025 CBA?

CA-NP-022 (Reference Application) Please provide a summary of all laboratory testing conducted by NP in the 2025 Capital Budget Application to verify the need for asset replacement.

CA-NP-023 (Reference Application) What is the overall improvement in productivity stemming from the projects included in the 2025 Capital Budget Application? Please identify the expected cost savings and provide an estimate of the impact on rates.

CA-NP-024 (Reference Application)

a) Please provide a detailed calculation of the cost to own and operate NP's hydro facilities, and the amount of money recovered annually from customers attributable to NP's hydro generation facilities.
b) Has there been any additional studies relating to the retirement of NP's hydro generation facilities since the 2019 Depreciation Study – Hydro Plant Decommissioning Report? If so, please provide copies of such studies.

CA-NP-025 (Reference Application)

a) Please provide a table showing the monthly generation and spill from each of NP's hydro plants from July 2022 to July 2024.
b) Is the monthly output from NP's hydro plants at NP's discretion or is it based on requests from NL Hydro? Please explain the decision-making process for generation at these plants.
c) Please confirm that NP's Topsail hydro plant is not currently operating and indicate when it is expected to return to full service.
d) For NP's Topsail plant including penstock and related facilities, please provide a table showing annual generation, spill, capital expenditures, operating cost, and contribution to earnings for 2010 to 2023 with forecast values for 2024, 2025 and 2026.
e) Are any of NP's other hydro plants not currently operating or will have generating interruptions for any other time during the rest of 2024? Please provide details and indicate any adverse impacts on 2024 earnings.

CA-NP-026 (Reference Application) Is the new customer service system now fully installed and in-service? What was the final cost of the project?

CA-NP-027 (Reference Application) Please confirm that:

a) The Board has the authority to take into consideration the current economic climate in the province in its decisions and orders. Has the Board ever done so?

b) There is no legislative requirement that NP take into consideration the current economic climate in the province in its decisions and proposals, and as such, does not do so. If NP has in fact done so, please provide examples from the 2025 CBA.

CA-NP-028 (Reference Application) Please provide for the record a copy of NP's 5-year distribution expansion plan. Please show how behind-the-meter alternatives are incorporated and assessed, how reductions in harmful environmental emissions are accounted for, and how planning is influenced by government net-zero emissions and electrification efforts.

CA-NP-029 (Reference Application) For each of the LPD, MUN, RFD, LCV and BIG Substations, please identify the cost that is included in the cost of service study for the 2026 test year and the amount allocated to individual customers, and to each customer class in the cost of service study?

CA-NP-030 (Reference Application)

a) How does NP define a transmission asset? Is NP's definition consistent with the definition typically used in the industry?

b) Please identify the cost of transmission assets included in the cost of service study for the 2026 test year and the amount of this cost allocated to each customer class.

c) Please identify the cost of distribution assets included in the cost of service study for the 2026 test year and the amount of this cost allocated to each customer class.

d) Please identify the costs of connection (e.g., specifically-assigned) assets included in the cost of service study for the 2026 test year and the amount of this cost that is allocated to individual customers, and to each customer class.

CA-NP-031 (Reference Application) It is understood that Memorial University was required to make a capital contribution of $4.6 million to cover the entire cost of the new Long Pond Substation.

a) Who owns the Long Pond Substation and how are the costs of the substation recovered from customers?

b) Did the $4.6 million expenditure cover the entire capital cost of the new Long Pond Substation?

c) Does the Long Pond Substation benefit only Memorial University, or do other customers also benefit from the substation?
d) What are the annual operating and maintenance costs of the Long Pond Substation and who pays these costs?
e) Does Memorial University receive a discount on its electricity bill for transformer ownership, and if so, what is the amount of, and basis for, the discount?
f) Would Memorial University be allowed to purchase transformers LPD-T1, MUN-T1 and MUN-T2? If so, how would the University go about doing so, and how would NP price the transformers?
g) If Memorial University owned LPD-T1, but not MUN-T1 and MUN-T2, how would its transformer discount be determined?

CA-NP-032 (Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 5), it is stated "*The Board notes that maintaining the Memorial Substation as a primary point of supply and the Long Pond Substation as a special facility is consistent with the cost of service methodology accepted by the parties in Newfoundland Power's most recent General Rate Application and approved by the Board in Order No. P.U. 3(2022).*"

a) In light of the $3.3 million expansion of the Long Pond Substation, is Long Pond Substation still considered a special facility and source of redundant supply to the University?
b) Can the MUN Substation supply the entire load of the University assumed in the application that led to the $3.3 million expansion of the Long Pond Substation?
c) When was the Long Pond Substation declared in service, and how long after it was declared in service did NP file the application for the $3.3 million expansion of the Long Pond Substation?
d) Why was the Long Pond Substation not sized to meet the full requirements of the University's load when first constructed?

CA-NP-033 (Reference Application) Please provide a table identifying each project over the past ten years that has been covered under the *Substation Replacements Due to In-Service Failures*" program, the timing, the cost, and the percentage of the cost relative to the cost approved for the program in that year.

CA-NP-034 (Reference Application and Board Order P.U. 14(2023)) In Order No. P.U. 14(2023) (Page 5), it is stated "*Newfoundland Power's approved cost of service and customer rates do not currently provide for specifically-assigned charges for general service customers. Such a significant change would require a full review of Newfoundland Power's cost of service and customer rates with the input of stakeholders, likely in a general rate application.*" Did NP study implementation of specifically-assigned charges in its 2025-2026 GRA? If so, please provide the study.

CA-NP-035 (Reference Application) With respect to a cost of service study:
a) Does NP accept that the cost of service study is an analysis of costs that assigns to each class of customers its proportionate share of the utility's total revenue requirement?
b) Does NP accept that the goal of the cost of service study is to ensure that each customer class pays its fair share of the utility's revenue requirement?

CA-NP-036 (Reference Application Schedule A, page 1 of 7). Please provide an augmented table for the Capital Budget Summary by including the corresponding figures for 2023 and 2024 as well as the actual expenditures for 2023 and 2024.

CA-NP-037 (Reference Application Schedule B, page i) It is stated "*Newfoundland Power has met the information requirements of the Provisional Guidelines when the required information is available.*"
a) Please confirm that this same statement was made in the 2023 and 2024 CBAs.
b) Please provide a table identifying the information that is not available and include an explanation of why it is not available.

CA-NP-038 (Reference Application Schedule B, page ii) It is stated "*The Company is currently undertaking a review of its asset management practices that, among other matters, will evaluate options to meet the information requirements contained in the Provisional Guidelines.*"
a) Please confirm that a similar statement was made in NP's 2023 and 2024 CBAs.
b) Please identify each step that NP has taken since filing the 2023 CBA toward meeting the requirements of the Provisional Guidelines.

CA-NP-039 (Reference Application Schedule B, page iii) It is stated "*Newfoundland Power does not currently have the data or software necessary to provide calculations of risk mitigation or reliability improvement.*"
a) How do risk mitigation and reliability rank relative to other customer priorities?
b) Please confirm that the risk matrix shown in Figure 1 does not meet the requirements set out in the Provisional Guidelines relating to the calculation of risk mitigation and reliability improvement.
c) Please identify all changes that have been made to the risk matrix since the 2024 CBA.

CA-NP-040 (Reference Application Schedule B, page ii) It is stated "*While Newfoundland Power does not use estimate classifications, as referenced in the Provisional Guidelines, budget estimates for projects and programs are expected to be accurate within a range of plus or minus 10%.*"

a) Please confirm that this same statement was made in NP's 2023 and 2024 CBAs and that NP has made no changes to its budget estimating process since filing the 2023 CBA.
b) How can the Board be expected to decide that all projects are "*accurate within a range of plus or minus 10%*" when NP has not provided the estimate classifications required in the Provisional Guidelines?
c) Does Newfoundland Power's estimation approach encourage development of project cost estimates that are on the high side?

CA-NP-041

(Reference Application Schedule B, page ii) It is stated "*Where quantitative information is not available, qualitative assessments based on engineering judgment have been provided. For projects over $5 million, more detailed information is provided in reports prepared by Professional Engineers or other qualified experts.*"

a) Please confirm that this same statement was made in NP's 2023 and 2024 CBAs.
b) Excluding NP staff, what other qualified experts have prepared reports associated with the 2025 Capital Budget Application?
c) Are the "professional engineers or other qualified experts" referenced by NP able to quantify risk? If not, why has NP hired "professional engineers and other qualified experts" who do not have the expertise to quantify risk when it is a requirement under the Provisional Guidelines?

CA-NP-042

(Reference Application Schedule B, page iii) It is stated "*The Assessment of Alternatives sections discuss only those alternatives the Company has identified as relevant, and are provided for projects and programs in excess of $1 million, with the exception of expenditures classified as Access*".

a) Please confirm that this same statement was made in NP's 2023 and 2024 CBAs.
b) What criteria has Newfoundland Power used to determine if an alternative is "*relevant*"? Are environmental impacts one such criterion?
c) How has NP incorporated future trends in its assessment? Specifically, has NP considered sensitivity studies relating to shorter asset lifespans in the event that new environmentally sensitive options become available in, for example, the next 10 years?

CA-NP-043

(Reference Application Schedule B, page iii) It is stated "*To comply with the spirit and intent of the Provisional Guidelines, the Company developed a methodology to provide consistency in its assessment of risks across projects and programs. The methodology uses a risk matrix where priority is determined based on assessments of probability and consequence.*"

a) Please confirm that this same statement was made in NP's 2023 and 2024 CBAs.

b) Does the consequence of a failure change materially over time? For example, is the consequence of the failure of MUN-T2 the same whether the project is carried out now, 5 years from now, or 5 years ago?

c) Does the probability of failure change materially over time given NP's inability to quantify the difference in risk of equipment failure between now, 3 years from now, or 3 years ago?

d) Is this practice consistent with that used by distribution companies elsewhere in Canada? Is it consistent with the approach used by Hydro?

e) What other prioritization methodologies are used by distribution companies in Canada?

f) Are there other means for prioritizing projects that do not require a significant amount of subjectivity as that used in the proposed methodology?

g) Specifically, who at NP determines the priority of a project and how does NP ensure that it is applied consistently across the broad range of projects included in the Application?

CA-NP-044 (Reference Application Schedule B, page iv) It is stated "*Newfoundland Power also considered risks of assets becoming stranded for each proposed project and program*". How did NP incorporate the risk of an asset becoming stranded owing to new technology, new environmental regulations such as net-zero emissions and electrification policies, distributed generation, rate design, etc., or owing to a significant rate increase such as that forecast from July 1, 2024 to July 1, 2025?

CA-NP-045 (Reference Application Schedule B, page iv) It is stated "*Newfoundland Power submits that overall the Application includes comprehensive information that clearly describes the Application's proposals and demonstrates that all proposed capital expenditures are necessary to provide customers with access to safe and reliable service at the lowest possible cost.*"

a) Please confirm that this same statement was made in NP's 2023 and 2024 CBAs.

b) Please confirm that the projects included in the application have not been discussed with customers, government or the Consumer Advocate.

c) Please provide documentation showing that continuation of the AMR metering program is consistent with the provision of safe and reliable service at the lowest possible cost.

CA-NP-046 (Reference Application, 2025 Capital Budget Overview, page 2) It is stated "*The capital expenditures proposed as part of Newfoundland Power's 2025 Capital Budget Application (the "Application") are necessary to meet its statutory obligations under the Public Utilities Act and the Electrical Power Control Act, 1994.*" Are the Board's Provisional Capital Budget Application Guidelines consistent with legislation and the need to ensure projects are carried out in an environmentally responsible manner?

CA-NP-047 (Reference Application, 2025 Capital Budget Overview, page 5) It is stated "*National construction standards are applied to ensure the Company's electrical system is constructed and maintained to withstand local climatic conditions.*"

a) Have the standards been revised, or is there a plan to revise the standards to take into consideration global warming impacts?
b) Has NP made changes to its operation, maintenance and design practices and standards to incorporate global warming impacts?
c) Has NP made changes to its reliability targets to incorporate global warming impacts? Have other utilities in Canada done so?

CA-NP-048 (Reference Application, 2025 Capital Budget Overview, page 5) It is stated "*A combination of operational technologies and adequate tools and equipment are necessary to ensure the effective and efficient deployment of the Company's workforce.*" If the Board were to cut the proposed capital budgets for operating technology and tools and equipment by 5% how, and to what extent, would reliability be impacted?

CA-NP-049 (Reference Application, 2025 Capital Budget Overview, page 6, footnote 9) It is stated "*Liberty concluded that: "Newfoundland Power's planning and design of its system, its asset management practices, its system operations, its outage management and emergency practices and its customer communications processes all conform to good utility practices.*""

a) Did Liberty consider costs in its review?
b) Did Liberty assess trade-offs between cost and performance in an effort to quantify optimum performance level?
c) Given that Liberty determined that NP's asset management practices were consistent with good utility practices, why is NP undertaking a review of its asset management practices?
d) Is a review of NP's planning and operating practices overdue given that the Liberty findings are now 10 years old and were undertaken prior to government net-zero emissions and electrification efforts?
e) When does NP plan to undertake its next review of its planning and operating practices?

CA-NP-050 (Reference Application, 2025 Capital Budget Overview, Figure 1, page 6) Please reproduce Figure 1 based on rolling 5-year averages of SAIDI and SAIFI.

CA-NP-051 (Reference Application, 2025 Capital Budget Overview, pages 7 and 8) What SAIDI/SAIFI targets are set by the Board for NP?

CA-NP-052 (Reference Application, 2025 Capital Budget Overview, page 8) It is stated "*While overall levels of service reliability are viewed as acceptable, customers in certain areas experience service reliability that is considerably below Newfoundland Power's corporate average.*"

a) What SAIDI and SAIFI levels for "customers in certain areas" are considered acceptable by NP?
b) How many customers experienced no distribution-related service outages in 2021, 2022 and 2023?

CA-NP-053 (Reference Application, 2025 Capital Budget Overview, page 9) It is stated "*Newfoundland Power's annual capital expenditures reflect the capital additions, replacements and refurbishments necessary each year to provide safe and reliable service to customers at the lowest possible cost.*"

a) How does NP define "lowest possible cost"?
b) How does NP take the environment into consideration in its 2025 CBA?

CA-NP-054 (Reference Application, 2025 Capital Budget Overview, page 9, Figure 4)

a) Please explain how the nominal values of capital expenditures were converted to real (2024$) terms; supplement the explanation with a numerical calculation for the year 2020.
b) Please provide a table that gives the 2014 to 2024 nominal and real capital expenditures, as given in Figure 4, as well as the corresponding values for 2025 to 2029 based on the 2025-2029 Capital Plan. Also, in the table, please give the nominal and real deprecation cost for 2014 to 2029.
c) For 2014 to 2029 please provided a revised Figure 4 that is extended to 2029 and includes nominal and real depreciation cost.

CA-NP-055 (Reference Application, 2025 Capital Budget Overview, page 10) It is stated "The capital projects proposed in the Application are estimated to increase the Company's annual revenue requirement by approximately $8 million on a pro forma basis. The estimate includes increases in depreciation, return on rate base and income taxes and excludes customer benefits associated with proposed capital projects that provide for lower operating and purchased power costs included in Newfoundland Power's revenue requirement." It goes on to say that proposed refurbishments at Cape Broyle, Horsechops, Mobile and Lockston hydro plants and the proposed LED street lighting replacement

project are estimated to reduce NP's annual revenue requirement by about $11 million on a pro forma basis.

a) Please decompose the $11 million into the amounts associated with each one of the hydro plants and the LED street lighting replacement project.
b) Are the proposed refurbishments at Cape Broyle, Horsechops, Mobile and Lockston hydro plants and the proposed LED street lighting replacement project the only projects/programs included in the 2025 CBA that are expected to reduce the revenue requirement? Is the $11 million figure net of capital costs for these projects?
c) Based on this information, what is the expected overall impact on customer rates owing to the 2025 CBA?
d) Based on this information, can customers expect a rate decrease owing to the 2025 CBA, and if so, how much?
e) Has the reduction in revenue requirement been reflected in NP's revenue requirement forecast in the 2025-2026 GRA which shows an increase in operating costs of 11.4% from 2023 to the 2026 test year?
f) By how much will the 2025 CBA increase NP's rate base and profits?

CA-NP-056 (Reference Application, 2025 Capital Budget Overview, Tables 1 and 2) Please reproduce Tables 1 and 2 using 2023 actuals as the base comparator to the 2026 test year included in the 2025-2026 GRA.

CA-NP-057 (Reference Application, 2025 Capital Budget Overview, page 12) It is stated "*While Newfoundland Power's contribution to revenue requirement and customer rates has decreased on an inflation-adjusted basis over the past decade, the Company's annual capital investments have averaged over $100 million per year over this period.*"

a) Please provide any studies indicating that spending over $100 million annually on capital programs is optimal.
b) In the 2025 CBA, is NP requesting Board approval for $184.2 million in capital projects and programs composed of $164.5 million in new expenditures and $19.7 million of expenditures that were previously approved by the Board?

CA-NP-058 (Reference Application, 2025 Capital Budget Overview, Table 3, page 12)

a) Please reproduce Table 3 showing each Atlantic utility separately.
b) Please reframe Table 3 by showing capital expenditures for the given years on a per-customer basis. (If customer numbers are not available then use provincial populations for the Maritimes and population in NP's service area for NP as proxies.)

CA-NP-059 (Reference Application, 2025 Capital Budget Overview, Table 3, page 12)

a) Why is a comparison to the Atlantic Canada utilities appropriate?
b) How many customers are served by each of the Atlantic Canada utilities?

c) What is the total demand supplied by each of the Atlantic Canada utilities?
d) Do the Atlantic Canada utilities serve all customers in their respective provinces, or like in NL, are higher-cost rural and isolated customers served by a different government-owned utility?
e) Please reproduce Table 3 showing a broad range of distribution companies across Canada, e.g., Electricity Canada Region 2 utilities as listed in footnote 11 (page 7).

CA-NP-060 (Reference Application, 2025 Capital Budget Overview, Appendix B, Table B-1) The table indicates that several projects were deferred in order to conduct further engineering assessment. Is it accurate to say that NP was not ready to proceed with the projects?

CA-NP-061 (Reference Application, 2025 Capital Budget Overview, Appendix E, page 2) It is stated "*Transmission Line 146L plays a critical role in the Central Newfoundland 138 kV transmission system. An outage to Transmission Line 146L results in two sections of the Central Newfoundland 138 kV transmission system becoming radial. When these sections are radially supplied, any single failure on one of these transmission lines could result in outages to between 1,700 and 8,700 customers downstream of the affected line.*"

a) Is it typical on NP's system that when there is an outage of a transmission line one or more sections of the transmission system become radial? Is this not in fact how NP's transmission system is designed?
b) Does NP plan its transmission system to an n-1 or n-2 criterion?
c) For the past 20 years, please provide a table showing all outages including duration of transmission line 146L.
d) For the past 20 years, please provide a table showing all coincident outages and duration for transmission line 146L and one of the two sections that become radial when 146L is forced out of service.
e) What is the probability that transmission line 146L will be forced out of service both before and after completion of the renewal project?
f) What is the probability of the coincident failure of transmission line 146L and one of the two sections that become radial when 146L is forced out of service both before and after completion of the renewal project?

CA-NP-062 (Reference Application, 2025 Capital Budget Overview, Appendix E, page 4) Do supply chain issues that arose during the Covid pandemic continue to be an issue? Can NP provide any examples of capital items that have declined in cost since the supply chain related spikes?

CA-NP-063 (Reference Application, 2025 – 2029 Capital Plan, page 1) It is stated "*The company's current capital plan forecasts average annual investments of approximately $163 million from 2025 to 2029.*"

a) Was the approved 2024 capital budget $114,252,000?

b) Is an average annual investment from 2025 to 2029 of $163 million about $48,748,000, or 42.7%, greater than the approved 2024 capital budget?

CA-NP-064 (Reference Application, 2025 – 2029 Capital Plan, page 1) It is stated "*the Company is targeting stability in its reliability performance*." Please provide:

a) The number of annual customer complaints relating to reliability in each of the past 20 years.
b) Reliability criteria used by NP that balance the level of reliability with the cost to provide that level of reliability.
c) Confirmation that NP has not surveyed its customers about willingness to pay for reliability and the value that customers place on reliability. If not confirmed, please provide supporting documentation.
d) Confirmation that NP believes there is no incremental cost associated with maintaining current levels of reliability and documentation supporting this claim.
e) Confirmation that there is no savings in targeting a level of reliability that is comparable to the Canadian average.
f) Confirmation that if the Board were to reduce the budgets for technology and automation there would be no impact on reliability.

CA-NP-065 (Reference Application, 2025 – 2029 Capital Plan, page 1) It is stated "*The Company is forecasting the replacement of thermal generation units at Greenhill, Wesleyville, and the start of engineering to replace the thermal generation units in Port aux Basques over the next five years. These units have been in service approximately 50 years and have reached the end of their useful service lives. The replacement of these units is forecast to account for approximately $96 million from 2027 to 2029.*"

a) Please explain how replacement of these thermal generation units is consistent with the provision of least cost power in an environmentally responsible manner and government net-zero emissions efforts.
b) Please provide the following annual data on each of the Greenhill, Wesleyville and Port aux Basques thermal generation facilities: generation, operating hours, operating cost, fuel cost, capital expenditures, emissions, and contribution to NP's earnings. Also, please indicate the capacity of each and any changes in capacity over the time period.
c) What were the original rationales for putting each of these thermal units in place?
d) In light of existing and proposed 'green energy' initiatives by the governments of Canada and Newfoundland and Labrador, has NP analyzed the possibility that capital expenditures on these and other thermal units may become stranded? If so, please provide copies of all such analyses

CA-NP-066 (Reference Application, 2025 – 2029 Capital Plan, page 1) In reference to a forecast decline in the number of new customer connections, it is stated

"*system load growth driven by residential development in urban areas, electrification of heating systems, and electric vehicle adoption is forecast to offset this decline.*" How, and to what extent, will this system load growth be offset by conversions from baseboard heating to heat pumps, rate design and behind-the-meter generation?

CA-NP-067 (Reference Application, 2025 – 2029 Capital Plan, page 2) It is stated "*Newfoundland Power has an obligation to provide customers with equitable access to an adequate supply of power.*"

a) How does NP define "equitable access"?
b) Does this obligation apply to both NP and NL Hydro?
c) Please provide a comparison of distribution SAIDI and SAIFI for NP and NL Hydro.

CA-NP-068 (Reference Application, 2025 – 2029 Capital Plan, pages 2 and 3) It is stated "*Efforts to electrify provincial buildings and other electrification opportunities are expected to be pursued as part of the Provincial Government's Renewable Energy Plan. In 2023 the Provincial Government and Federal Government jointly announced the expansion of a rebate program to support approximately 10,000 homeowners to transition their homes from oil heat to electric heat.*" How have these programs impacted NP's load forecast and its distribution expansion plan?

CA-NP-069 (Reference Application, 2025 – 2029 Capital Plan, page 3) It is stated "*System load growth is also expected to be affected by electric vehicle ("EV") adoption over the forecast period.*" How is electric vehicle adoption in the province impacting:

a) NP's load forecast and its distribution expansion plan?
b) NP's approach to reliability given that numerous customers will have on-site battery storage capable of supplying essential electricity services during power system outages?

CA-NP-070 (Reference Application, 2025 – 2029 Capital Plan, page 3) It is stated "*A 2019 market potential study completed by Dunsky Energy Consulting determined that dynamic rates may become cost-effective for customers between 2030 and 2034. Dynamic rate structures will take several years to implement and require investments in Advanced Metering Infrastructure ("AMI"). The Company continues to assess the costs and benefits of AMI.*"

a) Prior to submission of its report, did NP and Hydro make Dunsky aware of the generation capacity shortfall in the province, government net-zero carbon and electrification efforts and the government's rate mitigation plan?
b) Did Dunsky conduct an assessment of smart meters, or did Dunsky only assess the value of dynamic rates relating to load shifting?

c) Please confirm that smart meters provide numerous benefits beyond load shifting and provide a list of such benefits.

CA-NP-071 (Reference Application, 2025 – 2029 Capital Plan, page 3) It is stated "*Providing customers with reliable service requires capital investments to maintain the condition of the electrical system and the Company's operational response capabilities when outages occur.*"

a) Please identify how much it has cost customers in recent years for NP to achieve a SAIDI level that is 40% better that the Canadian average and a SAIFI level that is comparable to the Canadian average.
b) If the Board were to order NP to target a SAIDI level that is comparable to the Canadian average, what projects/programs would be delayed or eliminated and how much would costs be reduced in the 2025 CBA?
c) If the Board were to order NP to target a SAIDI level that is comparable to the Canadian average, would NP simply slow its response time to customer outages, or would NP employ cost-cutting measures?

CA-NP-072 (Reference Application, 2025 – 2029 Capital Plan, page 5) It is stated "*This risk highlights the importance of ensuring the electrical system is resilient and designed to standards that reflect local climatic conditions, as well as the importance of maintaining effective emergency response capabilities through measures such as electrical system automation.*"

a) Does NP plan its system to guard against outages owing to severe weather events?
b) Are outages owing to severe weather events included in NP's reliability statistics?
c) Do utilities in Canada and the United States generally plan their systems to guard against outages brought on by severe weather events?
d) Do utilities in Canada and the United States generally include outages owing to severe weather events in their reliability statistics?
e) What is the cost to customers of "ensuring the electrical system is resilient" and "maintaining effective emergency response capabilities"?

CA-NP-073 (Reference Application, 2025 – 2029 Capital Plan, page 5) It is stated "*Market conditions following the global events like the pandemic and the war in Ukraine continue to pose a risk to Newfoundland Power's 2025-2029 Capital Plan. Supply chain disruptions have contributed to reduced availability and extended delivery times for certain materials, including heavy-duty vehicles, conductors, meters and power transformers. Inflationary pressure on materials also increased following these global events.*"

a) Please provide the Conference Board of Canada's latest forecasts of the annual percentage increase in (i) the Canada GDP deflator for 2024 to 2029 and (ii) the Business Non-residential Structures, Machinery and Equipment component of the GDP deflator for 2024 to 2029.

b) What evidence does NP have that the pandemic continues to cause supply chain disruptions?
c) How has the war in the Ukraine impacted NP?

CA-NP-074 (Reference Application, 2025 – 2029 Capital Plan, page 6) It is stated "*The effect of age on the condition of Newfoundland Power's electrical system can be observed through its recent experience with equipment failures. An average of approximately 1,100 equipment failures per year were experienced on the distribution system from 2019 to 2023, which represents a 6% increase compared to the previous five-year period.*"
a) What was the average size of NP's net plant and equipment over 2019 to 2023 and how much has it increased compared to the previous five-year period?
b) Please provide a table showing the number of equipment failures in each year since 1994.
c) Do these failures require replacement or repair?
d) In light of supply chain issues and inflation, have equipment repair alternatives become more economic relative to replacement alternatives?
e) Please show how the increase in equipment failures has impacted NP's SAIFI and SAIDI statistics.
f) Does the fact that equipment failures are increasing suggest that NP's capital programs are failing, or improperly prioritized?

CA-NP-075 (Reference Application, 2025 – 2029 Capital Plan, page 7) It is stated "*The current state assessment, which benchmarked the Company's asset management maturity against other utilities and clauses of ISO 55001, was completed in March 2023. The target state assessment, which assess opportunities to advance Newfoundland Power's asset management maturity, and ensure practices continue to be adequate and align with sound utility practice, was completed in March 2024.*" Please file copies of these assessments for the record.

CA-NP-076 (Reference Application, 2025 – 2029 Capital Plan, page 7) It is stated "*The distribution system performance is addressed through the Distribution Reliability Initiative, which targets the worst performing feeders for capital investment.*" Are the customers served by these feeders consulted with respect to their concerns about reliability? Does NP track customer complaints about service reliability on its worst performing feeders?

CA-NP-077 (Reference Application, 2025 – 2029 Capital Plan, pages 8 and 9) Please provide a table showing the number of distribution system wood pole and

overhead conductor failures that have occurred in each year since 2020. Further, please provide a table showing the number of distribution system wood poles and overhead conductors that have been replaced in each year since 2000.

CA-NP-078 (Reference Application, 2025 – 2029 Capital Plan, pages 9 to 11) Please provide a table showing the number of transmission system wooden support structures and overhead conductor failures that have occurred in each year since 2020. Further, please provide a table showing the number of transmission system wooden support structures and overhead conductors that have been replaced in each year since 2000.

CA-NP-079 (Reference Application, 2025 – 2029 Capital Plan, pages 11 and 12) Please provide a table showing the number of transformer failures that have occurred in each year since 2020. Further, please provide a table showing the number of transformers that have been replaced in each year since 2000.

CA-NP-080 (Reference Application, 2025 – 2029 Capital Plan, page 14, Figure 8) Please add to Figure 8 by including earlier years back to and including 2000.

CA-NP-081 (Reference Application, 2025 – 2029 Capital Plan, page 14) With respect to the increasing expenditures in the renewal classification:

a) Are there offsetting operating and maintenance cost savings associated with these projects/programs? If so, please quantify such savings.
b) Is there value in slowing expenditures in this category until the results of the asset management review are available?
c) What steps are being taken by NP to offset the increasing costs in the renewal category, or is NP taking a "business-as-usual" approach?

CA-NP-082 (Reference Application, 2025 – 2029 Capital Plan, Tables 2, 3, 4, 5, 7 and 8)

a) Please confirm, or correct, the following:
    i. Average annual distribution capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 17.9%.
    ii. Average annual substation capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 51.9%.
    iii. Average annual transmission capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 62.9%.
    iv. Average annual generation capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 286.6%.

v. Average annual transportation capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 47.3%.
vi. Average annual general property capital expenditures are forecast to increase in the 2025 to 2029 period relative to the 2020 to 2024 period by 62.4%.
vii. The increase in capital expenditures in the 2025-2029 period will not be influenced by the asset management review that NP currently has underway.

b) Please compare the average inflation rate (GDP deflator-based) over 2020-2024 with the forecast average inflation rate for 2025 to 2029, based on Conference Board of Canada information.

CA-NP-083 (Reference Application, 2025 – 2029 Capital Plan, Table A-2)

a) Are the annual costs for the new meters and replacement meters programs forecast to increase from $457,000 and $648,000 in 2025 to $774,000 and $1,150,000 in 2029, increases of 69.4% and 77.5%, respectively?
b) Does NP intend to use AMR meters for these programs?
c) Please explain in detail the procurement process that will be followed for the new meters and replacement meters programs in the 2025 CBA.
d) Does Berg Insight forecast that 94% of Canadian households will have smart meters by 2027?
e) Are smart meters now the metering system of choice in the industry? If not, please identify utilities that are currently embarking on AMR metering programs.

CA-NP-084 (Reference Application, Asset Management Update Report, page 4) It is stated "*The pilot project indicated that Newfoundland Power is currently not in the position to implement quantitative risk modelling. AHIs factor into risk modelling as they are a key determiner in probability of failure of an asset. It would be prudent to determine which assets require risk modelling based on the assets that are being selected for AHIs. As well, large amount of financial inputs, such as the reactive cost of asset replacement, would need refinement to provide a more accurate representation of risk for the assets. Given the requirements of quantifiable risk modeling, further exploration should be completed as asset management is matured.*" Given the huge increase in costs in the renewal classification in the near term, why is further exploration needed? Why would NP not give highest priority to quantifying risk for its most costly programs/projects in the renewal classification such as that required in the thermal generation category?

CA-NP-085 (Reference Application, Asset Management Update Report, Figure 2) Is the implementation plan placing higher priority on transmission and substations than generation and distribution asset management? If so, why? Is cost a

consideration in the development of the implementation plan? If so, how has cost been incorporated?

CA-NP-086 (Reference Application, 2023 Capital Expenditure Report, page 1 of 14)
a) Is NP required to seek Board approval of the $1,258,000 difference between Actual and Approved capital expenditure before it can be added to rate base?
b) Is NP required to seek Board approval of carry-over amounts? If so, what are the conditions for approval?

CA-NP-087 (Reference Application, 2023 Capital Expenditure Report, Appendix A, page 3 of 12) It is stated "*In 2023, capital expenditures for the Substations Refurbishment and Modernization project were $2,142,000, or 30%, higher than the budget estimate, primarily due to higher material costs and contractor labour costs as compared to budget estimates.*" Why were material and labour costs so much higher than forecast? Higher material and labour costs appear to be a recurring theme in the appendix.

CA-NP-088 (Reference Application, 2023 Capital Expenditure Report, Appendix A: Variance Notes, page 4 of 12) Why were the right-of-way issues for Line 35L not anticipated given that there was an engineering cost estimate for this project?

CA-NP-089 (Reference Application, 2023 Capital Expenditure Report, Appendix A: Variance Notes, page 5 of 12) Footnote 1 indicates that a contribution in aid of construction was approved for the connection of the two dairy farms in the town of Cormack. How much was the customer required to pay and was the CIAC amount based on the forecast or actual cost?

CA-NP-090 (Reference Application, 2023 Capital Expenditure Report, Appendix A: Variance Notes, page 5 of 12) In regard to the Reconstruction program, it is stated "*In 2023, major events late in the year resulted in additional work being required as compared to the historical average.*" Please identify the major events and the extent to which they impacted costs.

CA-NP-091 (Reference Application, 2023 Capital Expenditure Report, Appendix A: Variance Notes, page 10 of 12) It is stated "*In 2023, actual capital expenditures for General Expenses Capitalized were $1,100,000, or 28%, higher than the budget estimate, resulting primarily from inflationary increases and additional labour costs for capital planning.*" Please provide further explanation of how inflationary increases and additional labour costs for capital planning led to increased capital expenditures.

CA-NP-092 (Reference Application, 2023 Capital Expenditure Report, Appendix A: Variance Notes, page 12 of 12) It is stated "*Actual capital expenditures were $136,000, or 19% higher than the total budget estimate, largely due to increases in vendor pricing, as well as an increase in the number of licenses required.*" Why was an increased number of licenses required?

CA-NP-093 (Reference Application, 2023 Capital Expenditure Report, Appendix C: Key Performance Indicators, Table 3) The actual average unit cost for the new meters and replacement meters are $215 and $183, respectively. This compares to the estimated average unit cost of $136.

a) Please confirm that the percentage excess of cost over estimate was 58% and 34.6%, respectively.
b) Please explain why the actual unit cost was so much greater than the estimated unit cost.
c) What cost components are included in the unit costs; e.g., the cost of the meter plus the installation cost? What is the average percentage breakdown of each cost component?
d) Do these cost increases make smart meters a more viable metering alternative?
e) Is the cost of a new AMR meter installation roughly $215 compared to the cost of a new AMI meter installation of roughly $350?
f) How much would an additional $135 cost customers on a monthly basis over the life of the meter?
g) How do the lifetime costs/benefits of smart meters compare to the lifetime costs/benefits of AMR meters assuming installation costs of $350 and $215, respectively?

CA-NP-094 (Reference Application, 2024 Capital Budget Expenditure Status Report, Appendix A: Variance Notes, page A-1) It appears that the cost of transformers has increased substantially, by about 58%.

a) Is this a temporary increase, or is NP of the opinion that the cost increase is now locked in?
b) How has this cost increase impacted the cost estimates assumed in the 2025 CBA?
c) In light of the significant cost increase for transformers and the long delivery times, have transformer repair alternatives become a more economic choice relative to transformer replacement alternatives?

CA-NP-095 (Reference Application, 2024 Capital Budget Expenditure Status Report, Appendix A: Variance Notes, page A-1) It is stated "*the forecast number of new customer connections is expected to increase from 2,053 to 2,329.*" On what basis is this new forecast made, and how has it impacted the 2025 CBA?

CA-NP-096 (Reference Application, Use of Historical Averages for Budget Estimation) Please provide a table that gives the expenditure amounts for all 2025 CBA programs and projects for which the historical-average approach was used.

CA-NP-097 (Reference Application, Use of Historical Averages for Budget Estimation, page 3) It is stated that the average of adjusted historical cost "*is inflated by the GDP Deflator for Canada for non-labour costs and the Company's internal labour inflation rate for labour costs*."

a) Does NP apply its internal labour inflation to contract labour as well as its in-house labour? If so, what is the rationale?
b) Please provide a table giving NP's internal labour inflation rate and the GDP inflation rate for the years 2020 to 2024 inclusive.

CA-NP-098 (Reference Application, Use of Historical Averages for Budget Estimation) In its 2025/2026 GRA, NP states (page 2-35) "*Newfoundland Power is forecasting an annual increase in labour costs of approximately 3.1% from 2022 to 2026. The Company's weighted labour rate inflation is forecast to be approximately 4.1% per year over this period. This implies an operating efficiency of approximately 1.0% per year.*" How does NP incorporate this 1% productivity improvement into its budget estimation based on historical averages?

CA-NP-099 (Reference Application, Use of Historical Averages for Budget Estimation, Table 2)

a) Why is New Brunswick Power not included in Table 2?
b) Does NP consider a survey of 3 utilities extensive?
c) It is noted that Nova Scotia Power and Maritime Electric use averages with annual inflation. Specifically, what inflation rate is used by these utilities?
d) In NP's survey, do any utilities use inflation based on a forecast of their own internal labour inflation rate?

CA-NP-100 (Reference Application, Use of Historical Averages for Budget Estimation, Table 2) Please provide a table that gives the total expenditure on all programs/projects for which an historical-average approach is used for each of NP, Maritime Electric, NL Hydro and Nova Scotia Power. In the table, also provide total capital expenditure for each and express the historical-average-based expenditure as a percentage of total. Please provide for the most recent year available.

CA-NP-101 (Reference Application, Use of Historical Averages for Budget Estimation, pages 4 and 5) NP reviews recent decisions of Canadian regulators including British Columbia, Alberta and Ontario.

a) Do each of these three decisions relate to overall growth in capital as opposed to growth in individual capital projects and programs?

b) Do each of these three jurisdictions employ performance-based regulation?
c) Do each of these three jurisdictions employ what is effectively a cap on overall capital spending based on historical capital spending?
d) What would NP capital budgets be in 2025, 2026, 2027, 2028 and 2029 if its overall capital spending were capped at an average of the capital spending in the previous 3 and 5 years? Please provide a table comparing capital spending under the 3- and 5-year scenarios to the capital spending forecast for years 2025 through 2029
e) For all the NP proposed 2025 expenditures that are based on the use of historical averages: (i) if they were aggregated into a single total and the Board were to approve that total and allow NP to allocate the funds across those programs/projects at its discretion, would that flexibility be advantageous to NP? (ii) If the Board were to approve 95% of the total, how would NP decide on the allocation of this reduced envelope for those expenditures?

CA-NP-102 (Reference Application) Please provide a discussion of the consideration being given to non-wires alternatives (NWAs) in each Canadian jurisdiction addressing the current practices of Canadian integrated utilities, transmission companies and major distributors. Further, please provide a discussion of the consideration being given to NWAs in each Canadian jurisdiction addressing the current practices of Canadian regulators.

CA-NP-103 (Reference Application, Feeder Additions for Load Growth, page 2) It is stated "*Non-wires alternatives comprise a broad category that encompasses various innovative alternatives to standard "poles and wires" solutions. These include, but are not limited to, distributed energy resources, microgrids and battery storage*."

a) Are rooftop or "community" solar and wind viable alternatives in NL for off-loading feeders?
b) How is the increasing number of electric vehicles in the province and the associated battery storage assessed in the feeder additions for load growth program?
c) How has NP incorporated rate design such as load control in its analysis of feeder additions for load growth alternatives?
d) Are utility-scale battery systems in use elsewhere?
e) What are the expected operating and maintenance costs for utility-scale battery systems?
f) Are the costs of utility-scale battery systems expected to decrease going forward?
g) Do cost decreases in utility-scale battery systems, increasing numbers of electric vehicles and decreasing costs of wind and solar suggest that some portions of the feeder additions for load growth program may become stranded?

CA-NP-104 (Reference Application, Feeder Additions for Load Growth, pages 5 and 6) Please provide the detailed lifetime analysis showing that the $375,000 upgrade alternative for feeder APT-02 is lowest cost relative to the $397,000 battery storage alternative. Please identify all assumptions including the value of capacity provided by the battery storage alternative and the replacement cost of the battery storage facility following its initial 15-year life.

CA-NP-105 (Reference Application, Feeder Additions for Load Growth, page 7) It is stated with respect to feeder GOU-03 "*The analysis showed that the load on the individual phases of the identified section of the feeder are approximately 125 amps, which exceeds the Company's planning criteria for maximum current on a two-phase distribution line.*" Footnote 9 indicates "*Newfoundland Power's planning criteria for maximum current on any phase of a single-phase or two-phase distribution line is 85 amps.*" For how many years has this feeder been overloaded and why has NP just now become aware of this overload condition? Please provide loadings on this feeder for each of the last 10 years.

CA-NP-106 (Reference Application, Feeder Additions for Load Growth, page 10) It is stated "*Of the technically viable alternatives considered, upgrading the overloaded section of distribution feeder GOU-03 from two-phase to three-phase is the least-cost alternative.*" Please provide the detailed lifetime analysis showing that this alternative is least cost. Please identify all assumptions including the value of capacity provided by the battery storage alternative and the replacement cost of the battery storage facility following its initial 15-year life.

CA-NP-107 (Reference Application, Feeder Additions for Load Growth, page 10) Footnote 10 references a report titled *Cost Projections for Utility-Scale Battery Storage: 2023 Update*, June 2023, page 13, prepared for the National Renewable Energy Laboratory by Wesley Cole and Akash Karmakar. Please file a copy of this report for the record.

CA-NP-108 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, page 1) It is stated "*A single substation outage can result in a loss of service to thousands of customers.*" How many customers are impacted if any of the RFD, LCV, MUN or LPD Substations are forced out of service?

CA-NP-109 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, page 1) With respect to the NWB, SMV and LOK Substations:

a) Please confirm that as stated on page 1 the capital proposed to be spent on these substations is for the purposes of reducing the risk posed to their reliable operation.

b) Please provide outage statistics for each of these substations in each of the past 10 years.
c) Please identify the reduction in the risk to the reliable operation of these substations before and after the proposed capital expenditures.

CA-NP-110 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization,)
a) According to Table 1, is NP proposing to spend a total of $55.4 million on this program over the next 5 years?
b) For this program, what is the average cost per customer served by these substations over the next 5 years?
c) Are the substations included in the program now operating with acceptable reliability?
d) Does NP expect to be in a position to quantify the risk of failure before 2030? Is NP prioritizing the quantification of risk in its asset management review?
e) It is stated (page 1) "*Due to supply chain constraints and procurement lead times for electrical equipment, Newfoundland Power is transitioning to multi-year substation refurbishment and modernization projects.*" (i) Does NP have evidence that the supply chain constraints are to be long lasting? (ii) Has NP given consideration to delaying this program until supply chain challenges have been resolved, or is NP proceeding with a "business-as-usual" approach?

CA-NP-111 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, page 18) It is stated "*To date, 37 substations have been equipped with surveillance and alarm systems to deter theft and vandalism.*" Please provide a comparison of theft and vandalism at the substations before and after installation of surveillance and alarm systems. Have any arrests been made as a result of the surveillance systems?

CA-NP-112 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, page 19) Please provide a table showing the costs of preventative and corrective maintenance at the NWB, SMV and LOK Substations over the past 10 years.

CA-NP-113 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, page 19) Please provide a table showing each substation refurbished and modernized under this program since the year 2000 including its designation and cost. Further, please show the reliability of the substation before and after the refurbishment and modernization project was undertaken.

CA-NP-114 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, Appendix A: Summerville Substation Refurbishment and

Modernization, page 8) It is stated "*There are deficiencies identified with the ground grid at SMV Substation that pose a risk to safety and reliability.*" When did NP first become aware that there was a safety problem at this substation that could result in electrocution? It is understood that there is a similar safety issue at the SMV and LOK Substations. When did NP become aware of the safety issues at these substations?

CA-NP-115 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, Appendix A: Summerville Substation Refurbishment and Modernization, page 8) It is stated "*The power transformer and voltage regulators do not have a spill containment foundation.*" Have the NWB, SMV and LOK substations ever had spill containment foundations? Is spill containment required for regulatory compliance?

CA-NP-116 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, Appendix A: Summerville Substation Refurbishment and Modernization, page 3 and Figure A-3) It is stated "*SMV Substation is designed such that, if a fault occurs on Transmission Line 113L, there will be an outage to approximately 1,130 customers served by SMV Substation. The current protection scheme does not include circuit breakers in SMV and relies on circuit breakers at LET Substation and Lockston Substation for transmission line protection.*"

a) Following the project, if a fault occurs on Line 113L will there be an outage to approximately 1,130 customers served by the SMV Substation?
b) Does Line 113L form part of the looped 66kV system?
c) Do Lines 113L and 123L terminate at the PRC Substation?
d) Does the PRC Substation have breakers?
e) Are breakers at the LET and LOK Substations controlled remotely?
f) In the past 20 years, how many outages have there been on the section of Line 113L between the LET and SMV Substations, and between the LOK and SMV Substations?
g) What is the difference in cost between installation of a breaker versus a switch?

CA-NP-117 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, Appendix B: Northwest Brook Substation Refurbishment and Modernization, page 2 and Figure B-2) It is stated "*NWB Substation is designed such that, if a fault occurs on Transmission Line 109L, there will be an outage to approximately 1,790 customers served by NWB Substation. The current protection scheme does not include circuit breakers in NWB and relies on circuit breakers at Clarenville Substation and Sunnyside Substation for transmission line protection.*"

a) Following the project, if a fault occurs on Line 109L will there be an outage to approximately 1,790 customers served by the NWB Substation?

b) Does Line 109L form part of the looped 138kV system?
c) Are breakers at the Clarenville and Sunnyside Substations controlled remotely?
d) In the past 20 years, how many outages have there been on the section of Line 109L between the CLV and NWB Substations, and between the SUN and NWB Substations?

CA-NP-118 (Reference Application, 2.1 2025 Substation Refurbishment and Modernization, Appendix C: Lockston Substation Refurbishment and Modernization)

a) It is indicated in Table C-3 (page 13) that this project cost is $305,000 in 2025 and $4,521,000 in 2026 for a total project cost of $4,826,000 but in Attachment A-1: Summary of Capital Costs as well as in Attachment A-4: Calculation of Levelized Costs and Benefits, page 2, substation refurbishment costs are given as $28,000 and $1,170,000, respectively. Please reconcile, and in particular explain how the $4,826,000 project cost is incorporated in the analysis.
b) Please confirm that the discount rate used for the economic analysis was 6.65% based on 45% common equity and 55% debt with respective returns of 8.50% and 5.12% over the entire period. Why did NP assume an 8.5% return on equity and for the next 50 years in the analysis?
c) To allow for uncertainty please provide revised Tables A-3 and A-4 based on a 9% discount rate (i.e., use a discount rate composed of the 6.65% weighted cost of incremental capital plus 2.35% for uncertainty).

CA-NP-119 (Reference Application, 2.2 Substation Power Transformer Replacements, page 3) It is stated "*The Company has had seven major power transformer failures in the past five years.*"

a) How many substation power transformer failures did NP experience in the previous two five-year periods?
b) How many substation power transformers in total is NP proposing to replace in the 2025 CBA?
c) What is done with the substation power transformers that have been replaced?
d) When are the high cost and long delivery issues associated with new substation power transformers expected to go back to normal?

CA-NP-120 (Reference Application, 2.2 Substation Power Transformer Replacements, Appendix A, page 6) It is stated "*Run to failure is not a viable alternative as it would increase risks to the delivery of safe and reliable service to 6,724 customers in the communities of Torbay, Portugal Cove–St. Philip's, Pouch Cove and Logy Bay–Middle Cove–Outer Cove. Deferral of the Pulpit Rock Substation Power Transformer Replacement multi-year project would increase the risk that PUL-T2 will fail in service.*" By how much would the

risk be increased? Has the risk of failure not been increasing every day for the past 10 years?

CA-NP-121 (Reference Application, 3.1 Gander-Twillingate Transmission System Planning Study, page 1) Reference is made to Newfoundland Power's 2019 Capital Budget Application, Central Newfoundland System Planning Study.
a) Did this study consider the Gander-Twillingate transmission system?
b) Please file a copy of this study for the record.

CA-NP-122 (Reference Application, 3.1 Gander-Twillingate Transmission System Planning Study, page 4) It is stated "*the results of a system power transformer contingency assessment, which indicates the potential for substantial customer outages following the loss of system power transformer COB-T2.*" Do most transformers on NP's system have backup supply redundancy in the event that the transformer is forced out of service? Specifically, what is NP's planning criteria relating to loss of a power transformer?

CA-NP-123 (Reference Application, 3.1 Gander-Twillingate Transmission System Planning Study, page 4) It is stated "*Due to the severity of each of the risks identified, up to 8,313 Newfoundland Power and Hydro customers are at significant risk of extended outages unless transmission system upgrades are pursued.*" Did Hydro participate and sign off on this study? Is Hydro contributing to the cost of the project?

CA-NP-124 (Reference Application, 3.1 Gander-Twillingate Transmission System Planning Study, page 8) It is stated "*Transmission Line 108L was not designed to meet current standards for the design of overhead lines.*" What percentage of lines on NP's system do not meet current standards?

CA-NP-125 (Reference Application, 3.1 Gander-Twillingate Transmission System Planning Study) With respect to the alternatives, were traditional generation alternatives considered such as diesel sets or combustion turbines? Are there any potential small hydro sites in this region?

CA-NP-126 (Reference Application, 3.2 Transmission Line 94L Rebuild, page 4) It is stated "*Due to the Provincial Government's plans to designate land in the immediate vicinity of the Project as "environmental reserve" lands, the timeline related to the release of the Project from the EA was delayed. The process ultimately spanned months longer than anticipated, and final release of the Project by the Environmental Assessment Division was not received until September 2022.*" When did NP first become aware of the Provincial Government's plans to designate the land as "environmental reserve" lands?

CA-NP-127 (Reference Application, 3.2 Transmission Line 94L Rebuild, page 4) It is stated with respect to higher than anticipated bids "*This was primarily due to the depths of the bogs found along the right-of-way. As a result, more access trails would need to be built and a large number of bog mats would be required to access structure locations, therefore resulting in additional costs.*" Why was this not anticipated? Did NP engineers not visit the right-of-way before compiling its cost estimate and schedule for the project?

CA-NP-128 (Reference Application, 3.2 Transmission Line 94L Rebuild, page 4) With respect to the alternatives considered for Scopes 2 and 3:

a) Did NP consider conventional and non-conventional generation alternatives in light of the province's need for new generating capacity?
b) Did NP engineers walk the right-of-way to assess depth of bogs and number of access trails and bog mats that would be needed?
c) Did NP consider replacement of deteriorated equipment rather than a complete rebuild?
d) Is contractor pricing expected to remain high given that the Covid pandemic is now behind us?
e) Please file the original analysis of alternatives 1 and 2 that led to the decision to proceed with alternative 1.

CA-NP-129 (Reference Application, 3.2 Transmission Line 94L Rebuild, page 10) It is stated "*Due to property constraints along Route 91 and Route 81, some structures on distribution feeders SCT-01 and BLK-01 will be replaced with new shared transmission and distribution structures. A project titled Distribution Feeders SCT-01 and BLK-01 Relocation has been included in Schedule B of the 2025 Capital Budget Application detailing the cost and justification for this scope.*" Why are the SCT-01 and BLK-01 feeder relocations considered separately, rather than as part of the transmission line 94L rebuild project? Are the costs of these feeder relocations included in the costs of the line 94L rebuild project?

CA-NP-130 (Reference Application, 3.2 Transmission Line 94L Rebuild, page 11) It is stated "*Recent increases in contractor pricing have significantly increased costs associated with completing the approved Project.*" Did contractor pricing lead to the significant cost increases or did NP's failure to identify the extent of the bog issue lead to significant cost increases? Please provide a breakdown for the significant cost increase.

CA-NP-131 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, page 2) Footnote 6 states "*From 2019 through 2023, Hydro requested generation 104 times for the Avalon Peninsula hydro plants, and 406 times for all Island hydro plants.*" What procedure is followed by NP when Hydro requests generation from NP's hydro facilities?

CA-NP-132 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, page 3) It is stated "*The outlet gate requires manual operation by hydro plant operations staff as no electricity for controls equipment is present at the site.*" How many times in each of the past 10 years have operations staff manually operated the outlet gate?

CA-NP-133 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, page 11) It is stated "*If a winter season rainfall event allows for recharge of the reservoir, an additional 3.49 GWh would be achieved, increasing the available capacity assistance to 6.98 GWh to be used during winter on-peak events. Using the marginal cost methodology, the value of this storage varies between $770,000 and $1,920,000 annually over a 10-year period depending upon the year and the availability of winter reservoir recharges as described above.*"

a) In what percentage of years is a winter season rainfall event expected to occur; e.g., 98%?
b) Does the additional 3.49 GWh of capacity assistance have value to Hydro if only available when a winter season rainfall event occurs? More specifically, would Hydro include this 3.49 GWh capacity assistance in its long-term capacity resource studies?

CA-NP-134 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, page 11) Please provide an analysis similar to that presented in Table 1 that compares the cost incurred to make the hydro facilities dispatchable to the value of the additional capacity that can be relied upon by Hydro in its long-term planning studies. Specifically, provide a comparison of the cost associated with making the plant dispatchable to the value of the gain in dependable capacity.

CA-NP-135 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, Appendix A, page 4) It is stated "*The Plant has total available storage of approximately 19.8 GWh. This level of storage represents approximately 56 days of production at a production rate of 14.5 MW. However, storage levels are often not full, and there are practical limitations to managing the flow of water from storage to the forebay. These practical considerations limit the Company's ability to maintain continuous production at rated capacity for extended periods of time.*" What amount of capacity is considered "dependable" and incorporated in Hydro's long-term planning studies?

CA-NP-136 (Reference Application, 4.1 Mount Carmel Pond Dam Refurbishment, Appendix A) With respect to the economic analysis:

a) Please reconcile the total annual capital costs given in Attachment A: Summary of Capital Costs with the capital costs given in Attachment D: Calculation of Levelized Costs and Benefits, Table D-2.

b) Please provide a revised Table A-3 giving levelized values based on 20 years
c) To allow for uncertainty please provide revised Tables A-3 and A-4 (Appendix A, page 7) based on a 9% discount rate (i.e., use a discount rate composed of the 6.65% weighted cost of incremental capital plus 2.35% for uncertainty).

CA-NP-137 (Reference Application, 5.1 Port Union Building Replacement, page 1) Footnote 1 states "*To decrease the duration of customer outages, more remote areas are provided with powerline technician crew(s) and commonly required materials (distribution transformers, cross-arms, conductor, streetlights and hardware). The company targets a response within 2 hours 85% of the time.*"

a) Please confirm that providing more remote areas with powerline technician crews and more commonly required materials imposes an additional cost on NP's customers.
b) What savings would result if powerline technician crews and materials were reduced to bring SAIDI statistics more in line with the Canadian average?
c) What is the basis for targeting response within 2 hours 85% of the time?
   i. Were customers consulted on this target?
   ii. Is this target the same in both populated and remote areas?
   iii. Is executive compensation tied to this target?
   iv. Has this target been reviewed and approved by the Board?

CA-NP-138 (Reference Application, 5.1 Port Union Building Replacement, page 2) It is stated "*Four employees, two Powerline Technician Lead Hands and two Powerline Technicians, use the Facility as their daily headquarters. Five additional employees, including two Electrical Maintenance persons, one Materials Handler, one Meter Reader and one Customer Service Representative, use the Facility part time while completing work in the Area.*"

a) What is the difference between a "powerline technician lead hand" and a "powerline technician"? Please provide job descriptions for each, and describe a typical work-day for each.
b) Would the meter reader position be eliminated if NP installed smart meters?
c) Would it make sense to install smart meters in remote areas such as this to reduce meter reading costs and response times to outages and customer supply interruptions? Might smart meters reduce the number of "powerline technician lead hands" and "powerline technicians" needed?

CA-NP-139 (Reference Application, 5.1 Port Union Building Replacement, page 8) It is stated "*Some wiring is original cloth insulated type which is a suspected asbestos hazard based on similar wire observed in other locations.*" Has NP

inspected all of its facilities to determine if there is wiring suspected to be an asbestos hazard? Is it an environmental requirement that wiring be removed if suspected to be an asbestos hazard?

CA-NP-140 (Reference Application, 5.1 Port Union Building Replacement, page 10) It is stated "*The interior layout of the Facility consists of many small office/storage spaces that cannot be reconfigured without replacement of the roofing system as the interior walls provide load bearing support to the current roofing system. The Facility does not have fresh air supply without opening exterior doors which is neither efficient nor practical. The lack of air circulation has resulted in moisture damage to interior finishes. To provide a suitable healthy workspace, fresh air supply and air treatment must be provided, and a vapour barrier installed. To effectively install a vapour barrier, interior partitions must be removed.*" Has this not been the case for as long as NP has owned the building?

CA-NP-141 (Reference Application, 5.1 Port Union Building Replacement, page 10) It is stated that the cost to replace the building is estimated at about $1.3 million. How does this compare to the cost for a contractor to build a single-family home of comparable size at this site?

CA-NP-142 (Reference Application, 5.1 Port Union Building Replacement, page 11) It is stated "*This project is required to replace deteriorated infrastructure, to ensure compliance with occupational health and safety regulations, and to ensure adequate facilities are available to provide safe, least-cost and reliable electrical service to customers in the Area.*" Please explain how this project provides least cost and reliable service to customers in the area.

CA-NP-143 (Reference Application, 6.1 Outage Management System Upgrade, pages 2 and 3) It is stated "*Information from the field is then updated in the OMS to inform planning and prioritization efforts. Resources, such as vegetation management, pole setting and line crews, are effectively dispatched to minimize outage durations and maximize restoration effectiveness.*" Footnote 7 states "*There has been an improvement of 25% from 2023 vs 2018. Unplanned CAIDI: 2018 = 2.25 and 2023 = 1.68. (1.68-2.25)/2.25 = 25%.*"

a) Please confirm that the OMS is a cost associated with reliability.
b) What costs has NP been able to reduce or avoid as a result of the OMS?
c) Is the 25% improvement entirely attributable to the OMS?

CA-NP-144 (Reference Application, 6.1 Outage Management System Upgrade, page 4) It is stated "*For instance, outage data collected by the OMS at the customer level has allowed the Company to identify sections of feeders experiencing poor performance that were not available using previous reliability statistics.*" Is this information combined with feedback from customers, for example,

customer complaints about reliability? Does NP attempt to track customer complaints about reliability associated with specific feeders?

CA-NP-145 (Reference Application, 6.1 Outage Management System Upgrade, page 4) It is stated "*The software vendor has indicated that the current version of OMS will require an upgrade as it will no longer be supported as of November 1, 2026.*" Did NP know this when it purchased the OMS in 2019 and was it properly reflected in the economic analysis? When purchasing an OMS, does NP demand that vendors provide support services for a minimum period of time, for example, 10 years?

CA-NP-146 (Reference Application, 6.2 Asset Management Technology Replacement, page 2) It is stated "*Maintaining reliable service for customers is expected to require increased investments in the planned refurbishment and replacement of assets going forward. Optimizing the future replacement of these assets in order to balance performance, cost and risk is a key consideration for Newfoundland Power's asset management journey.*"

a) Why is maintaining reliable service expected to require increased investments? Is there an incremental cost associated with maintaining current levels of reliability?
b) Is the purpose of the asset management technology to increase or minimize/optimize costs?
c) How will the asset management technology quantify service improvements and risks associated with the timing of projects?
d) Is upgrading asset management technology a response to the requirements set out in the Provisional Capital Budget Application Guidelines?
e) Will alternative 2 enable NP to meet the requirements set out in the Provisional Capital Budget Application Guidelines, specifically, the quantification of service improvements and risk?

CA-NP-147 (Reference Application, 6.2 Asset Management Technology Replacement, Appendix A, AMCL Technology Report, page 4) Has AMCL been made aware of the requirements set out in the Provisional Capital Budget Application Guidelines? Please explain how the provisional guidelines have influenced AMCL's recommendation.

CA-NP-148 (Reference Application, Schedule B, page 4) It is stated "*It is estimated that customer rates for approximately 10,000 street lights will be reduced by between 12% and 44% in 2025 by executing this projec*t." Will these savings be allocated to the Street and Area Lighting Class only, or will other customer classes also benefit? Are any of NP's other customer classes realizing benefits of this magnitude owing to capital programs? If so, please identify the programs.

CA-NP-149 (Reference Application, Schedule B, pages 15 and 16) It is stated (page 16) "*The Distribution Feeder Automation project is required to provide customers with reliable service at the lowest possible cost as it will support maintaining Newfoundland Power's efficiency and effectiveness in response to customer outages*." It is stated (page 15) "*The Distribution Feeder Automation project will mitigate risks to the delivery of reliable service to customers*."

a) Is reliability the sole criterion justifying this program?
b) Do the above statements suggest that there is an incremental cost associated with maintaining current levels of reliability, or is this program proposed as a means for improving reliability beyond a level that is 40% better than the Canadian average?
c) If the Board decided not to approve this program, how much would reliability be impacted; e.g., would SAIDI levels drop below the Canadian average?
d) If the Board approved half of the proposed budget for this program, how much would reliability be impacted?

CA-NP-150 (Reference Application, Schedule B, Table 1, page 17)

a) With annual expenditures exceeding $13.4 million on the Extensions program why has NP not developed an engineering and cost-based means of forecasting average cost per connection?
b) Why was the cost per customer for extensions so high in 2023 relative to the other years? Is it appropriate to remove this figure from the calculation of the average?
c) The $6,037 cost per connection for 2025 is 6.5% higher than the 2024F cost of $5,670. (i) How does that percentage increase compare to the inflation forecast based on the GDP deflator? (ii) Does NP have any information that justifies such a large increase in cost per connection relative to inflation?

CA-NP-151 (Reference Application, Schedule B, Table 1, page 20)

a) Why was the cost of the reconstruction program so high in 2023? Is it appropriate to remove this figure from the calculation of the average? Did NP consider removing it from the calculation of the historical average?
b) The proposed cost for 2025 of $7.425 million is 6.8% higher than the 2024F cost of $6.953 million. (i) How does that percentage increase compare to the inflation forecast based on the GDP deflator? (ii) Does NP have any information that justifies such a large increase in cost relative to inflation?

CA-NP-152 (Reference Application, Schedule B) On page 20, with respect to the reconstruction program, it is stated "*The estimate for the budget year is calculated by taking the average of Adjusted Costs and inflating it using the*

GDP Deflator for Canada for non-labour costs and the Company's internal labour inflation rate for labour costs."

a) What are the values of those two inflation rates as used in this calculation? Please confirm that these are the same rates applied consistently for all 2025 budget estimates based on historical averages.
b) What is the value of the average of the adjusted costs as used in this calculation?
c) Table 2 on page 21 provides a breakdown of the proposed expenditure on the reconstruction program. (i) Which inflation rate was used arrive at the estimate of each component given in the table? (ii) Please provide a table on the same basis as Table 2 that shows the breakdown for 2024F and for the average of the adjusted costs.

CA-NP-153

(Reference Application, Schedule B, page 25)

a) Why is the cost of the Rebuild Distribution Line program so high in 2023? Did NP consider removing it from the calculation of the historical average?
b) The proposed cost for 2025 of $5.115 million is 2.8% higher than the 2024F cost of $4.974 million. (i) How does that percentage increase compare to the inflation forecast based on the GDP deflator? (ii) Does NP have any information that justifies cost increase that is more than inflation?

CA-NP-154

(Reference Application, Schedule B, page 28) It is stated "*The Rebuild Distribution Lines program is required to provide reliable service to customers at the lowest possible cost as it permits the planned correction of deficiencies identified on the distribution system that would otherwise result in customer outages.*"

a) Is reliability the sole criterion justifying this program?
b) Does this suggest that there is an incremental cost associated with maintaining current levels of reliability, or is this program proposed as a means for improving reliability beyond a level that is 40% better than the Canadian average?
c) If the Board decided not to approve this program, how much would reliability be impacted; e.g., would SAIDI and SAIFI levels drop below the Canadian average?
d) If the Board approved half of the proposed budget for this program, how much would reliability be impacted?

CA-NP-155

(Reference Application, Schedule B, page 30) Why was the cost of the Relocate/Replace Distribution Lines for Third Parties program so high in 2024? Did NP consider removing it from the calculation of the historical average?

CA-NP-156

(Reference Application, Schedule B, page 34) Please provide a table showing for each of the past 5 years: the number of replacement distribution

transformers purchased, the total actual cost of the purchased transformers and the adjusted cost of the purchased transformers. Further, please provide the calculation that resulted in the forecast expenditure for this program in 2025.

CA-NP-157 (Reference Application, Schedule B, page 33) Footnote 33 indicates that the cost of transformers is expected to increase by an additional 11% in 2025.

a) Please provide NP's historical and forecast cost of transformers for the years 2000 through 2029 and provide the basis for the forecast.
b) In light of the 37% increase in transformer cost over 2020 to 2024 and the anticipated 11% increase in 2025, has NP explored whether the rising costs are due to a temporary phenomenon in which case reduced purchase costs may be appropriate?
c) What is the average life expectancy of a new transformer compared to one purchased in 1980 or 2000?
d) How often does NP replace rather than repair a problematic transformer? In light of the large increase in the purchase cost of a transformer, it is now more cost-effective to provide additional maintenance/protection of transformers as well as to repair them? Has NP developed a new protocol for increasing the service life of its transformers?
e) Considering the circumstances, should the historical approach be replaced with an alternative?

CA-NP-158 (Reference Application, Schedule B, page 35) Should not the number of transformer replacements be decreasing after such a high replacement rate in recent years?

CA-NP-159 (Reference Application, Schedule B, page 37) It is stated "*The New Transformers program includes the cost of purchasing transformers to serve customer growth.*" How is customer growth factored into the budget calculation for 2025?

CA-NP-160 (Reference Application, Schedule B, page 37) Please provide a table showing for each of the past 15 years: the number of distribution transformers purchased, the total actual cost of the transformers and the adjusted cost of the new transformers. Further, please provide the calculation that resulted in the forecast expenditure for the new and replacement transformer programs in 2025.

CA-NP-161 (Reference Application, Schedule B, page 37) It is stated "*In addition, the 2025 budget reflects increases to maintain required inventory levels.*"

a) How is the required inventory level determined?
b) Please provide a table showing average annual inventory of transformers held by NP since 1994?
c) Are transformers held in inventory considered part of the rate base?

d) Does NP have arrangements with other utilities to obtain transformers in case their inventory is insufficient?
e) Substantial increases in purchase prices are signals to economize on inventory holdings and adapt/innovate inventory management. Has NP explored this?

CA-NP-162 (Reference Application, Schedule B, page 40) Regarding the New Services program, is the $1,445 figure for cost per connection in Table 1 in 2024 dollars as stated in Note 1, or 2025 dollars?

CA-NP-163 (Reference Application, Schedule B, page 46) Please show how the 2025 budget estimate was derived.

CA-NP-164 (Reference Application, Schedule B, Substations) Please confirm that all projects included in the substation refurbishment and modernization program are "*required to provide reliable service to customers at the lowest possible cost.*"

CA-NP-165 (Reference Application, Schedule B, page 88) With respect to the transmission line maintenance program it is stated "*The Transmission Line Maintenance program involves the replacement of transmission line infrastructure that has failed or is at risk of failure*."
a) Given that it is a maintenance program, why is it included in the capital budget?"
b) Why was the cost in 2023 so high? Should this figure be removed from the calculation of the average cost? Did NP consider doing so?
c) The proposed cost for 2025 of $2,884 million is 8.8% higher than the 2024F cost of $2.651 million. (i) How does that percentage increase compare to the inflation forecast based on the GDP deflator? (ii) Does NP have any information that justifies such a large increase in cost relative to inflation

CA-NP-166 (Reference Application, Schedule B, page 98) It is stated "*Based on the current condition of the Mobile Plant penstock, the probability of failure is possible*."
a) Is the probability of failure of any piece of equipment owned by NP "possible"? Please provide a more meaningful assessment of whether there is an urgency for this project.
b) Is there any evidence to demonstrate that failure is likely in the next two years and that such failure would be a safety risk?
c) Given that, page 95, "*The Plant is routinely placed into service at the request of Newfoundland and Labrador Hydro*.", has NP consulted Hydro on the optimal time to undertake the penstock refurbishment?

CA-NP-167 (Reference Application, Schedule B, page 138) It is stated "*Due to long delivery times, Newfoundland Power initiated a multi-year approach to procuring heavy and medium duty fleet vehicles in 2022.*" Do the long delivery times persist this long after Covid? What is the cause of long delivery times and is it expected to persist?

CA-NP-168 (Reference Application, Schedule B, page 139)
a) Please provide a table identifying the number, cost and expected life of each type of vehicle replaced under this program over the past 5 years.
b) How many, if any, of these vehicles are for the use of executives and other senior managers?

CA-NP-169 (Reference Application, Schedule C, page 1 of 9) Why are the Distribution Feeder PEP-02 and SMV-01 Refurbishment projects not included under one of the distribution renewal programs?

CA-NP-170 (Reference Application, Schedule C, page 3 of 9) Why is the Substation Ground Grid Upgrades project not included under one of the renewal programs?

CA-NP-171 (Reference Application, Schedule C, page 4 of 9) Why is the Wood Pole Retreatment project not considered a maintenance program?

CA-NP-172 (Reference Application, Schedule C, page 5 of 9) Why are the Hydro Plant Replacements Due to In-Service Failures program and the La Manche Canal Bridge Replacement project not included under a generation renewal program?

CA-NP-173 (Reference Application, Schedule C, page 6 of 9) How many Personal Computers have been replaced or upgraded in each of the past 5 years?

CA-NP-174 (Reference Application, Schedule C, page 8 of 9) Why is the Specialized Tools and Equipment program not included under the Tools and Equipment program?

CA-NP-175 (Reference Application, Schedule C, page 8 of 9) Please provide a comparison of the "Capital Projects and Programs - $750,000 and Under" proposed in the 2025 CBA to that proposed in the 2024 CBA.

CA-NP-176 (Reference Application, Schedule D) Is the increase in rate base from 2022 to 2023 about $59.6 million, or 4.85%?

CA-NP-177 (Reference Application Schedule B, Rebuild Distribution Lines, page 24) The program is described as follows "*Rebuild Distribution Lines is a preventative maintenance program that involves the planned replacement of deteriorated distribution structure and electrical equipment identified through inspections or engineering reviews. The program includes both the rebuilding of sections of distribution line and the selective replacement of line components such as deteriorated poles, crossarms, conductors, cut-outs, and insulators.*"

a) Please provide the inspection and engineering reviews that were undertaken in relation to this program.

b) Have any environmental or regulatory and/or field studies or likewise been undertaken in NP's planning process to mitigate unanticipated terrain/environmental issues?

CA-NP-178 (Reference Application) On April 21, 2023, NL Hydro filed with the Board a report entitled "*Wood Pole Line Management Program – Progress Report*". The report concludes (page 12)

"*Hydro's WPLM Program is achieving the goals of increasing reliability, extending asset life, reducing Hydro's environmental footprint and reducing total cost of ownership. Hydro is projecting an average life extension of its transmission wood pole plant of at least 17 years beyond the benchmark Iowa-50 survival curve. Hydro's WPLM Program is well aligned with best practices used in the industry. Hydro's assessment demonstrates that the cost of the WPLM Program is well justified by cost avoidance savings through reduced in-service failures and reduced unplanned repair costs, as well as reliability improvements and life extension of existing pole plant assets. In addition, the program has been effective in preventing the premature retirement of viable components which still have continued life expectancy.*"

On June 28, 2023 NP filed with the Board comments on NL Hydro's report. NP states that it has "*initiated discussions with Hydro and has further meetings planned with Hydro's technical and engineering staff to better understand the potential benefits of a chemical re-treatment program for Newfoundland Power's transmission line wood poles.*" NP goes on to identify examples of the types of information it will be seeking from Hydro and states:

"*Newfoundland Power is currently undertaking a review of its asset management practices to ensure its practices continue to be adequate, given the age of its electrical system, and remain consistent with industry best practice. This review will include an assessment of the Company's transmission line asset management practices including its capital investment and maintenance programs. The potential implementation of a wood pole chemical re-treatment program for the Company's transmission assets would be considered in the full context of the lifecycle management of the Company's*

transmission assets. The review will also ensure any changes to the Company's transmission line asset management practices are consistent with utility best practice."

a) Is NP in favour of implementing a wood pole line management program similar to that of Hydro following completion of its asset management review?
b) Please identify NP capital and maintenance projects/programs that might be impacted by the introduction of a wood pole line management program similar to Hydro's.

CA-NP-179 (Reference Application) Is NP currently in collective bargaining talks with employees. If so, how will this impact internal labour costs included in the Application?

CA-NP-180 (Reference Application) In the Capital Budget, who is responsible for the evidence to testify at a technical conference or in an oral public hearing? What lead individuals are responsible for testifying for each capital budget expenditure?

CA-NP-181 (Reference Application) In the Capital Budget proposals, what independent verification is there to support the proposal?

CA-NP-182 (Reference Application, Transmission Line Rebuilds)

a) What percentage of Newfoundland Power's transmission line re-build strategy has now been completed?
b) When will ratepayers expect the annual cost of transmission line rebuilds to decrease?
c) Please identify other savings for ratepayers in the transmission line rebuild strategy and quantify the same.

CA-NP-183 (Reference Application)

a) Please provide a table of NP's actual distribution expenditures from 2002 to the present.
b) Please provide a table showing growth in actual new customers connected to the system for this same period.

CA-NP-184 (Reference Application) In reference to the allowance for "unforeseen items", please provide a history of this allowance from 2000 to the present, and where and when the allowance was called upon, and for what reasons, and what was left in the allowance for unforeseen items at the end of each particular year.

CA-NP-185 (Reference Application) Please provide a list of projects that are included for approval in the 2025 CBA, but whose costs will not be recovered from customers, and provide the reasons why.

CA-NP-186 (Reference CA-NP-071 from 2024 CBA) It was stated "*Ontario, British Columbia, Quebec and the Yukon have active NWA initiatives, however the majority of projects are in the pilot phase.*"

a) What is the current status of these initiatives?

b) Is NP conducting a pilot on NWA initiatives to inform it on future distribution planning activities, or is NP taking a wait-and-see approach to first gain insights from these ongoing initiatives?

CA-NP-187 (Reference Application) With respect to project contingencies:

a) What is the range of contingencies included in the 2025 CBA?

b) What are the specific contingency amounts included in each of the projects included in the CBA?

c) How can the Board be sure that alternatives are being given proper weighting when contingency amounts vary from one alternative to the next and the contingency amounts are not specifically identified?

CA-NP-188 (Reference Application) In NP's Rules and Regulations, para. 2(d) it is stated "*The Customer shall use the Service on the Serviced Premises only. The Customer shall not resell the Service in whole or in part, except that the Customer may include the cost of Service in charges for the lease of space, or as part of the cost of other services provided by the Customer.*" Newfoundland Power was asked (CA-NP-123 pertaining to the 2025-2026 GRA) "*Does Memorial University resell the service in whole or in part? Please explain.*" The response states "*Newfoundland Power is not aware of whether Memorial University resells the service.*"

a) If Newfoundland Power does not know, who is enforcing its Rules and Regulations?

b) Given that various medical facilities are served by Memorial University that are important not only to the people of St. John's, but to all people in the province, might the hospital facilities be better represented if the University were categorized as a public utility and subjected to the same regulatory oversight as other public utilities in the province?

c) Who is responsible if there is an outage that affects the medical facilities served by the University and people being treated at the medical facilities are injured as a result of the outage?

d) Would NP be better protected if such an event were to occur if it had a connection agreement with the University?

e) Who is responsible under current legislation for deciding if the University should be a public utility and subject to regulatory oversight by the Board?

CA-NP-189 (Reference Application) With respect to crib structures used to support transmission and distribution lines in bogs:

a) What is the expected life of a crib structure?

b) What factors reduce the life of a crib structure?

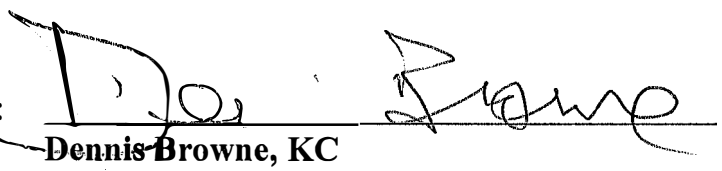
c) How prevalent is theft associated with crib structures?
d) Are chemicals used to treat crib structures? If so, what chemicals are used?
e) Do chemicals that are used to treat crib structures pose an environmental hazard when burned?
f) Has NP employed measures to reduce theft?

CA-NP-190 (Reference NP 2025-2026 GRA) NP received a number of recommendations relating to its distribution activities. Please provide a list of recommendations provided by Board and Consumer Advocate consultants, and in cases where the recommendation was rejected by NP, provide the reasons for rejection.

CA-NP-191 (Reference Application) In each of the past 10 years how much of the capital budget has been completed by internal labour versus external contractors (in dollars and percent)?

CA-NP-192 (Reference Application) Please provide for each of the past 10 years the following information relating to NP's mobile generating units: name, age, capacity, location, number of hours of operation, and the reason for operation.

DATED at St. John's, Newfoundland and Labrador, this 20th day of August, 2024.

Per: 

Dennis Browne, KC
Consumer Advocate
Terrace on the Square, Level 2, P.O. Box 23135
St. John's, Newfoundland & Labrador A1B 4J9
Telephone: (709) 724-3800
Telecopier: (709) 754-3800
Email: dbrowne@bfma-law.com