

Office of the Consumer Advocate

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August 9, 2017

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of
Corporate Services / Board Secretary**

Dear Ms. Blundon:

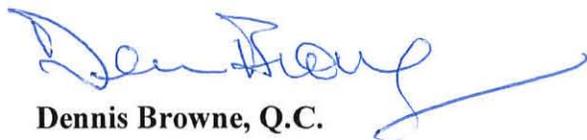
RE: Newfoundland Power's 2018 Capital Budget Application

Further to the above-captioned, enclosed please find enclosed the original and twelve (12) copies of the Consumer Advocate's Requests for Information CA-NP-001 to CA-NP-015.

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

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

Yours truly,



Dennis Browne, Q.C.

Encl.
/bb

cc **Newfoundland Power Inc.**
NP Regulatory (regulatory@newfoundlandpower.com)
Gerard Hayes (ghayes@newfoundlandpower.com)

Newfoundland & Labrador Hydro
Tracey Pennell (traceypennell@nlh.nl.ca)
Geoff Young (gyoung@nlh.nl.ca)
NLH Regulatory (NLHRegulatory@nlh.nl.ca)

Board of Commissioners of Public Utilities
Cheryl Blundon (cblundon@pub.nl.ca)
Jacqui Glynn (jblynn@pub.nl.ca)
PUB Official Email (ito@pub.nl.ca)

IN THE MATTER OF

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

IN THE MATTER OF capital expenditures
and rate base of Newfoundland Power Inc.; and

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 a 2018 Capital Budget of \$83,876,000;
- (b) approving certain capital expenditures related to
multi-year projects commencing in 2018; and
- (c) fixing and determining a 2016 rate base of
\$1,061,044,000

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION**

CA-NP-001 to CA-NP-015

Issued: August 9, 2017

1 CA-NP-001 In the 2018 Capital Plan, the Applicant makes reference to the
2 company's 23 hydro-electric plants, three gas turbines and two diesel
3 plants.
4

5 (a) Is the electrical power generating plant in the Mobile River
6 watershed area included in the above-referenced number?
7

8 (b) That plant had been subject to litigation pertaining to a lease
9 granted by the City of St. John's to the Applicant. Has that
10 litigation and the arbitration process in reference to the same been
11 concluded and, if so, how?
12

13 (c) Is the ownership of that plant still an issue?
14

15 (d) How is the plant being maintained and operated and at what cost
16 to ratepayers in these circumstances?
17

18 (e) Have any legal costs associated with this litigation been charged
19 to consumers? If so, provide specifics.
20
21

22 **Re: Purchase Mobile Generation Turbine ("MGT") - 3.0 Historical Operation of**
23 **MGT**
24

25 CA-NP-002 Historical documentation indicates that the MGT over the past ten
26 years has been used for construction projects and system support for
27 the most part. Please advise when and where and for what period of
28 time the Applicant used this MGT for construction and support over
29 the past ten years.
30

31
32 CA-NP-003 Please advise if Newfoundland and Labrador Hydro ("Hydro") is also
33 equipped with MGTs or similar and, if so, how many and where these
34 are located.

1 CA-NP-004 Please advise what coordination has occurred between Hydro and
2 Newfoundland Power re the operation and placement of the MGT.
3

4
5 CA-NP-005 The MGT, according to the filed evidence, has the capability to
6 provide power to an area of the system that has sustained severe
7 damage where it is expected to take more than forty-eight hours to
8 repair the damage.
9

10 (a) The MGT takes 48 hours to dismantle, transport, reassemble, and
11 prepare for generation. Please particularize every instance over
12 the past ten years in which the MGT has been used to support
13 customer outages, the location, duration of the use, and the year.
14

15 (b) Please list the locations where the MGT has been stored and the
16 periods of time the MGT had been stored in each of these locations
17 over the last five years.
18

19
20 **Re: Purchase MGT / 3.0 Operating History**
21

22 CA-NP-006 (a) In Appendix A, the MGT operating history concludes at 2015.
23 Please update this operating history to include 2016 and 2017 to
24 date.
25

26 (b) The average MGT annual production has a run time of 130.17
27 hrs., which amounts to a little more than three weeks run time on
28 average over the period described in Table 1. Given the cost of
29 this unit, has there been a value for money audit completed?
30

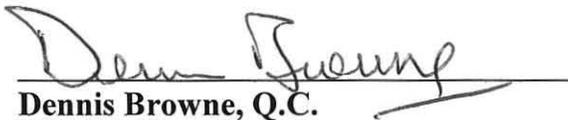
31
32 CA-NP-007 Please provide a list of all locations in the province where the MGT
33 has been sent for power outages, together with specific details and
34 times over the last ten years.

- 1 CA-NP-008 (a) Please provide the depreciation schedule in reference to the
2 MGT.
3
- 4 (b) The Applicant maintains that the existing MGT is 43 years old
5 and approaching the end of its service life. Please provide details
6 of what this means. When does the Applicant anticipate the
7 MGT's service life will be completed / what year? Is the MGT
8 working and operational now?
9
- 10
- 11 CA-NP-009 In previous hearings the Applicant has described these mobile
12 generation units as necessary to provide emergency back-up should
13 customers require soup kitchens and the like in an emergency.
14
- 15 (a) Please provide a list of how many such emergency soup kitchens
16 the mobile generation has been used in, and when and where.
17 (b) Does the Applicant have a list of the municipalities who provide
18 their own backup generation in the case of power outages and, if
19 so, please provide a listing of these communities, hospitals, senior
20 facilities, businesses, and the like?
21
- 22
- 23 CA-NP-010 There is anecdotal evidence that customers have purchased their own
24 generation unit in the case of an emergency power outage. Is
25 Newfoundland Power aware of how many of their own customers
26 have their own generators and has a survey been done to obtain such
27 information.
28
- 29
- 30 CA-NP-011 During the period known as Dark NL, please advise where the MGT
31 was located and when and where and times of usage, that occurred
32 during the 2014 Dark NL period.

- 1 CA-NP-012 The Applicant would be aware of the second line coming on to the
2 Avalon Peninsula from Bay Despair and that there will be major
3 changes to the interconnected system if Hydro's plans materialize.
4 These matters are all being considered by the Board.
5
- 6 (a) Why is the Applicant bringing forward a request for an additional
7 \$13,000,000 for an MGT at this particular time, in these
8 circumstances?
9
- 10 (b) The Applicant is primarily a distributor of electricity on the Island
11 Interconnected System. Is it the jurisdiction of the Applicant to be
12 seeking sources for backup as described in the Application
13 pertaining to the MGT.
14
- 15 (c) Are issues pertaining to backup within the jurisdiction of Hydro
16 and currently before the Public Utilities Board?
17
18
- 19 CA-NP-013 In reference to Rate Base 2.1 Customer Finance Programs, please
20 advise if any costs are being incurred by all customers for particular
21 financing programs related to specific customers. Provide details if
22 there are any associated costs of these programs being paid for by
23 ratepayers generally.
24
25
- 26 CA-NP-014 In reference to 2.5 Cost Recovery for PUB Hearing Cost, it is noted
27 that the Applicant employs its own counsel and also retains outside
28 counsel. Please advise as to the external cost associated with outside
29 counsel pertaining to Board matters and for which ratepayers are
30 ultimately responsible for the last five years. Has the Applicant
31 conducted a value for money analysis in terms of outside legal costs
32 versus the cost of employing further counsel within Newfoundland
33 Power to lessen the burden imposed to ratepayers through outside
34 retention?

- 1 CA-NP-015 Provide a schedule of proposed capital budgets as presented to the
- 2 Board for the period 2010 to 2018, with a listing of the proposed
- 3 budgets, the actual budget spent, and the percentage of variances
- 4 overbudget or underbudget as the case may be.

DATED at St. John's, Newfoundland and Labrador, this 9th day of August, 2017.

Per: 
Dennis Browne, Q.C.
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Terrace on the Square, Level 2, P.O. Box 23135
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