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December 17, 2013

Via Electronic Mail & Courier

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

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

Dear Madam:

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

Please find enclosed one original and twelve (12) copies of the Requests for Information numbered IC-NLH–102 to IC-NLH-156 of the Island Industrial Customers in relation to the above noted Application.

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

We trust you find the foregoing satisfactory.

Yours very truly,

POOLE ALTHOUSE

Dean A. Porter

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cc: Mr. Geoffrey P. Young, Senior Legal Counsel, Newfoundland and Labrador Hydro
Mr. Thomas J. Johnson, Consumer Advocate
Mr. Gerard Hayes, Newfoundland Power
Mr. Paul Coxworthy, Stewart McKelvey
Mr. Thomas J. O'Reilly, Q.C., Vale Newfoundland and Labrador Limited
Mr. Ed Hearn, Q.C., Miller & Hearn
Ms. Nancy Kleer, Olthuis, Kleer, Townshend LLP
Ms. Yvonne Jones, MP, House of Commons

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

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

ISLAND INDUSTRIAL CUSTOMERS GROUP
REQUESTS FOR INFORMATION
IC-NLH-102 TO IC-NLH-156

Issued: December 17, 2013

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

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

REQUESTS FOR INFORMATION OF THE ISLAND INDUSTRIAL CUSTOMERS

IC-NLH-102 Please reconcile all peak NP loads shown in Regulated Activities Schedule II to the peaks shown in IC-NLH-012. Please also indicate which peak was used for billing, and for COS purposes. If one peak level is derived from the other, please provide all supporting calculations.

IC-NLH-103 Please provide NP's native energy load corresponding to IC-NLH-012.

IC-NLH-104 Please indicate whether Hydro expects the degree of weather variability in energy sales to NP (i.e., if weather adjusted energy sales were to be calculated) would be more or less significant in percentage terms than the adjustment to weather normalize the peak loads.

IC-NLH-105 Please confirm that the 2013 GRA NP peak load forecast is meant to reflect normal weather.

IC-NLH-106 Please confirm that Hydro is at risk of changes in the revenue received through NP's demand charge and that these revenues are not stabilized through the RSP.

IC-NLH-107 Please indicate if the 2013 GRA NP forecast load levels (energy and peak) were prepared by NP or by Hydro. Please indicate if both utilities use the same NP load forecast for the purposes of annual financial and regulatory planning and reporting.

IC-NLH-108 Per IC-NLH-028 page 1 of 2. Please confirm that the table shown reflects the December peak values (per Regulated Activities Schedule II, Note 1).

IC-NLH-109 Per IC-NLH-028 and Regulated Activities Schedule II, please indicate why Hydro uses the December peaks for CP calculation purposes. Please indicate whether Hydro considered February peaks to be a better representation of the peak load profile of NP as the largest customer.

IC-NLH-110 Please provide a detailed description of the power service presently provided to each of Vale and Praxair. Is the power supply firm? Are supply levels set by the customer, or set in conjunction with Hydro (e.g., scheduling of major activities)? Is power being consumed for industrial production purposes, for construction, for commissioning or for other purposes? Please provide the same information for each of 2013 and 2014.

IC-NLH-111 Please provide a full rate reconciliation, in the form of IC-NLH-089 (along with miscellaneous revenues as required), for each of: (a) the revenue requirement of $567,817,669 per Exhibit 13, (b) the proposed revenues of $565,737,000 per Finance Schedule III, and (c) the existing revenues of $477,072,000 per Finance Schedule II.

IC-NLH-112 Re: IC-NLH-070. Is it Hydro's view that changes to grid load to alter the peak capacity are unlikely to result in material changes to the long-term costs of the system?

IC-NLH-113 Please provide the LOLE benefits that would arise from a hypothetical 10 MW interruptible B program in 2015.

IC-NLH-114 Re: IC-NLH-16, Attachment 1. Please provide similar graphs to Figure 5-1, Figure 7-1 and Figure 7-2 for capacity, based on either MW or LOLH (hr/yr).

IC-NLH-115 Per PUB-NLH-059, Attachment 1, Page 2. Please provide a copy of the 2008 debt guarantee review.

IC-NLH-116 Please confirm per Table 3.2 and IC-NLH-042 that Hydro does include AOCI in calculating its regulated equity balance.

IC-NLH-117 Please provide the estimated impact on base rates, by class, if all CDM costs to date, as well as forecast CDM costs for 2013, were included in the revenue requirement and COS study.

IC-NLH-118 Per Exhibit 13, please confirm industrial firm loads pay $6.242 million in demand-related costs for Hydro's thermal and hydraulic generation of 1507.5 MW (per IC-NLH-16 Attachment 1), or an average of $4.14 per installed kW.

IC-NLH-119 Please confirm NP's hydraulic generation energy units are not included in Hydro's energy sources, revenue requirement or COS. Please confirm that these kW.h are included as a supply source to NP's load.

IC-NLH-120 Re: IC-NLH-051 Attachment 2. Please confirm that the attachment filed is not the COS as requested, but instead is the same as Exhibit 13. Please provide the proper COS with the NP generation credit removed. If not confirmed, please provide the source of the Island Industrial revenue requirement of $28,350,013 and where this can be located in the provided Attachment 2.

IC-NLH-121 Please provide the current System Operating Instruction dispatch sequence similar to that provided in Appendix A of Exhibit JRH-3 of the 2003 GRA.

IC-NLH-122 Please provide, by year, the number of times Hydro's gas turbines and the St. Anthony and Hawke's Bay diesels were dispatched for capacity reasons, and indicate the total kW.h generation of each source (gas turbines versus diesel) by year.

IC-NLH-123 Per Page 4.19 of the GRA, please indicate if Hydro is requesting an "Energy Supply Price Variation" measure for every purchased power source, or only for those whose rates are not set by government.

IC-NLH-124 Per IC-NLH-054. Please confirm that with a material reduction (>$150M) in the regulatory liability component of Hydro's balance sheet, and replacement of this amount with new long-term debt at current market rates, Hydro's debt equity ratio and average cost of debt would be materially affected.

IC-NLH-125 Please confirm that the COS study indicates a 2013 Rate Base of $1.564 billion, financed by 70.101% debt, for a total $1.096 billion in calculated debt financing of rate base. Please confirm that this exceeds Hydro's average long-debt balance of $0.97 billion per Finance Schedule IV.

IC-NLH-126 Please provide a detailed description of the impact, if any, of the CBPP Generation Credit on the CBPP nomination of its Power On Order, or the ability to reduce its Power On Order to reflect the theoretical full potential output of its hydraulic generation at all peak times.

IC-NLH-127 Re: IC-NLH-72. Is Hydro aware of the scale of curtailable load that NP has subscribed? How many MW are under the program?

IC-NLH-128 Is Hydro aware of the use by NP of its curtailable load at peak times to reduce the NP contribution to systemwide Island Interconnected System peaks?

IC-NLH-129 Does Hydro's response to IC-NLH-12 reflect NP peaks with the NP curtailable load curtailed, or operating as normal?

IC-NLH-130 Re: IC-NLH-076. Please explain why Lummus expects that, following bringing 823 MW of HVDC link to the island, it would become more expensive to serve demand peaks than under the current system (where LOLH requirements drive the requirement for next plant).

IC-NLH-131 Since the period of regulation of Hydro's industrial rates, have all customers directly served by Hydro at 66 kV or greater received service under the standard "Industrial-Firm" rate schedule? Or have there been cases where customers received their primary service under alternative rate schedules?

IC-NLH-132 Please provide a detailed description, along with all supporting calculations, of the proposed 3 year phase-in of specifically assigned charges to the Island Industrial Customers.

IC-NLH-133 Please provide any available evidence to support the statement in Exhibit 9 (page 15) that the proposed NP rate "is seen to be moving towards closer alignment with the possible demand/energy relationship of the next least-cost supply resource". What information on the rate and contract terms for the Labrador infeed can be provided at this time to support the statement?

IC-NLH-134 Please confirm the NP rate set out in IC-NLH-079 would better align second block energy costs with Holyrood costs than the rate proposed by Hydro in this GRA.

IC-NLH-135 Please confirm the NP rate set out in IC-NLH-079 would retain the first block energy charges in line with Hydro's average non-fuel cost of energy, which is indicated to be desirable in Exhibit 9, page 14.

IC-NLH-136 Re: IC-NLH-080. For each CDM program offered to date, please provide all variables and calculations in support of the TRC value and similarly provide the supporting data and calculations for a Levelized Utility Cost (LUC) test or other utility-focused economic assessment.

IC-NLH-137 Re: IC-NLH-090. At what time in 2014 does Series V debt mature? Is Hydro proposing a mechanism to share with ratepayers savings expected to arise as this 10.5% face value debt (offset by sinking funds earning well below 10.5%) is refinanced or replaced?

IC-NLH-138 Re: IC-NLH-093. For each measure noted, please provide the date of implementation (or planned implementation) of the fuel saving initiative.

IC-NLH-139 Please confirm that the Vale load used in Exhibit 13 is not representative of the Vale and Praxair loads that will be experienced in 2014 and 2015. To the extent monthly forecasts are available for demand and energy for 2014 and 2015, please provide the Vale and Praxair loads for those years.

IC-NLH-140 Please provide a revised cost of service study that maintains the Vale and Praxair annual energy but "normalizes" the monthly peaks to reflect a peak Power On Order level (consistent with the 2013 annual energy) more representative of a high load factor industrial customer.

IC-NLH-141 Please confirm Hydro cannot produce a 2014 forecast cost of service study. If incorrect, please provide.

IC-NLH-142 Please indicate if Hydro considered the option of eliminating the NP demand charge and charging energy for the second block at the run out cost for Holyrood and the first block at the residual value. Please provide the rate estimates that would arise under this scenario.

IC-NLH-143 Per IC-NLH-16. Please confirm that the Interconnected Island expansion plan brings with it sufficient capacity to meet the 2.8 hours LOLE throughout the planning period.

IC-NLH-144 How many staff positions (or staff hours) does Hydro budget for operating and maintenance activities at the Corner Brook frequency converter. Please provide the budgets for salaries and supplies for this facility.

IC-NLH-145 Have the costs for staffing, maintenance or supplies at the Corner Brook frequency converter changed since the last GRA, including with the completion of the unit improvements?

IC-NLH-146 Please update Table 5-1 of Attachment 1 of IC-NLH-16 to show the capability and LOLH limit/energy balance by year for the future planning period to 2031 under each of the Interconnected Island and Isolated Island scenarios.

IC-NLH-147 Please indicate Vale's and Praxair's expected load forecast when operating at full load post commissioning.

IC-NLH-148 Per Schedule V from Regulated Activities. Please reconcile, for each year provided in the Schedule, and explain the calculation for No. 6 Fuel Production Cost using Holyrood Production (bbl) and Purchase Price ($/bbl) in the calculation.

IC-NLH-149 Please reconcile the fuel price for the 2013 Test Year of $108.74/bbl (page 1.7 footnote 7; Finance Schedule 1) when the forecast for 2013 as per Schedule V is $108.11/bbl.

IC-NLH-150 Please show a detailed calculation of the fuel RSP adjustment of 67.994M per Finance Schedule II.

IC-NLH-151 What is NP's hydraulic peak installed capacity, annual average energy and load factor?

IC-NLH-152 Please provide a version of the Exhibit 13 cost of service study that separates the industrial class into 2 groups – one for operating companies, and one for companies that are in pre-production or commissioning/ramp-up stages (Vale and Praxair).

IC-NLH-153 Please confirm that the purpose of grouping "classes" in a cost of service study is to avoid the need for calculating costs applicable to each individual customer, and to instead focus on groups of customers with similar characteristics. If not confirmed, please provide the rationale used by Hydro for developing its classes of customers.

IC-NLH-154 With reference to IC-NLH-12, please confirm that NP's actual native peak for 2012 was at 1,281 MW [1.350 MW weather adjusted] for the load at 5,359 GW.h. Please explain why for 2013 COS, Hydro used 1264.78 MW [PUB-NLH-114, Loss Model] for the load at 5,594 GW.h, i.e. lower native peak for the higher load. Please discuss the rationale for this forecast.

IC-NLH-155 Please provide the revised COS in excel format with NP's native peak forecast for 2013 based on the average of the actual NP load factors for the last five years.

IC-NLH-156	Per IC-NLH-028 which provides the industrial customer monthly Power on Order as the NCP value, please provide the actual monthly native peak for each of the industrial customers

DATED at St. John's, in the Province of Newfoundland and Labrador, this 17th day of December, 2013.

POOLE ALTHOUSE

per Per: _____
Dean A. Porter

STEWART MCKELVEY

per Per: _____
Paul L. Coxworthy

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P.O. Box 21040
St. John's, NL A1A 5B2
Attention: Board Secretary

TO: Newfoundland & Labrador Hydro
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St. John's, NL A1B 4K7
Attention: Geoffrey P. Young,
Senior Legal Counsel

TO: Thomas Johnson, Consumer Advocate
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Attention: Mr. Thomas J. O'Reilly Q.C.