

November 20, 2014

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

ATTENTION: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Application of Newfoundland and Labrador Hydro for Approval of Agreement with Corner Brook Pulp and Paper Limited for Capacity Assistance – Submission

On October 28, 2014, Newfoundland and Labrador Hydro (Hydro) submitted an application (the Application) to the Board of Commissioners of Public Utilities (the Board) for approval of an executed agreement for winter capacity assistance (the Capacity Assistance Agreement) between Hydro and Corner Brook Pulp and Paper (CBPP).

The Capacity Assistance Agreement provides Hydro with the ability to access up to 60 MW of capacity assistance in 20 MW increments from CBPP. Hydro submits that the Capacity Assistance Agreement with CBPP provides Hydro with increased flexibility, on a cost effective basis, for Hydro to deal with unanticipated generation or load events that may occur throughout the winter seasons and maintain system integrity. Hydro has reviewed the submissions of the Intervenor to this Application and notes that the Intervenor is generally supportive of the Capacity Assistance Agreement and have not taken issue with the implementation of this Agreement.

In relation to the submissions from Newfoundland Power and the Consumer Advocate regarding the recovery of the costs associated with the Capacity Assistance Agreement, Hydro does not object to cost recovery being deferred for consideration as part of Hydro's 2013 General Rate Application, which is currently before the Board.

Please contact the undersigned should you have any questions.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Tracey L. Pennell
Legal Counsel

TLP/jc

cc:	Gerard Hayes – Newfoundland Power	Thomas Johnson – Consumer Advocate
	Paul Coxworthy – Stewart McKelvey Stirling Scales	Thomas O'Reilly, QC – Cox & Palmer
ecc:	Sheryl Nisenbaum – Praxair Canada Inc.	Roberta Frampton Benefiel – Grand Riverkeeper Labrador
		Danny Dumaresque