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April 15, 2015

Ms. G. Cheryl Blundon, Board Secretary
Board of Commissioners of Public Utilities
120 Torbay Road
P.O. Box 21040
St. John's NL A1A 5B2

Dear Ms Blundon:

Re: Re: 2013 Amended General Rate Application of Newfoundland and Labrador Hydro

Enclosed are the original and twelve (12) copies of Innu Nation's RFIs, numbered IN-NLH-284 through IN-NLH-330, inclusive, in respect of the above-noted Application.

We have provided a copy of this correspondence together with enclosures to all concerned parties. We trust you will find the enclosed satisfactory.

Yours truly,

Senwung F. Luk

/cb
Encl
cc:

Thomas J. O'Reilly, Cox & Palmer, Suite 1000, Scotia Centre 235 Water Street, St Johns, NL A1C 1B6

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IN THE MATTER OF the *Public Utilities Act*, RSN 1990, Chapter P-46 (the “Act”);
and

IN THE MATTER OF a General Rate Application (the “Application”) by Newfoundland and Labrador Hydro (the “Applicant”) 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 Individual 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 by Innu Nation

IN-NLH-284 to IN-NLH-330

April 15, 2015

Requests for Information – Round 4

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IN-NLH-284. Re: IN-NLH-006 (Rev. 1, Nov 26-14)

The revised response indicates that the load forecasts presented were prepared in spring of 2013. Have these forecasts been updated since spring of 2013? If so, please provided the updated forecasts.

IN-NLH-285. Re: IN-NLH-019 and IN-NLH-019 (Rev. 1, Nov 21-14)

The figure provided for 2013 Labrador Interconnected CDM Expenditures in IN-NLH-019 was \$195,000. In the revised response, this figure fell by half to \$97,830. Please explain this change.

IN-NLH-286. Re: IN-NLH-070 (Rev. 1, Nov 17-14)

Please update the figures in Attachment 1 to include full year data for 2014.

IN-NLH-287. Re: IN-NLH-087 (Rev. 1, Nov 28-14)

Please update the figures in the table to include full year data for 2014.

IN-NLH-288. Re: IN-NLH-183 (Rev. 1, Dec 11-14)

The revised response states that, “With respect to the [Labrador West] terminal station project, Hydro will be filing further correspondence on this project for the Board’s review.”

Has said correspondence now been filed? Please provide copies of all correspondence with the Board in this regard.

IN-NLH-289. Re: IN-NLH-187 (Rev. 1, Nov 20-14)

Please update the table to provide the average cost of delivered fuel to each isolated community for 2014.

IN-NLH-290. Re: IN-NLH-189 (Rev. 1, Nov 26-14)

Please update the tables to provide the net energy requirements for Natuashish, Labrador Isolated and L’Anse au Loup for 2014.

IN-NLH-291. Re: IN-NLH-233 and IN-NLH-234

Please confirm that, unlike the figures provided in IN-NLH-233, the values given for Happy Valley-Goose Bay in IN-NLH-234 do not include the communities of Sheshatshiu and Northwest River. Does this difference fully explain the differences between the kW forecasts for 2015-2019 in these two responses? If not, please explain the other factors.

IN-NLH-292. Re: IN-NLH-235

The response appears to indicate that the Nov. 2014 load forecast does not include any loads related to expanded iron ore mining in Labrador because there are no such projects that are

1 sufficiently likely to meet Hydro's criteria for inclusion in the load forecast. Please confirm this
2 interpretation.

3 **IN-NLH-293. Re: IN-NLH-238**

4 The response indicates that "Isolated Systems Commercial Custom" refers to the Isolated
5 Systems Business Efficiency Program (ISBEP), which has not been discontinued.

6 Please explain why forecast expenditures for this program in 2015F are zero, if the program has
7 not been discontinued.

8 **IN-NLH-294. Re: IN-NLH-239**

9 Please confirm that the MWh savings indicated in the table are not cumulative, but rather
10 represent year-by-year incremental savings. If the figures provided are incremental, please
11 provide a table indicating cumulative MWh savings, indicating and taking into account the
12 assumed persistence of these savings for the period 2010-2019.

13 **IN-NLH-295. Re: IN-NLH-239**

14 Savings of 22,258 MWh are reported in 2014 under Industrial Customer Energy Savings. This
15 figure dwarfs all other savings reported in the table.

16 Please describe in detail the 2014 savings of 22,258 MWh in Industrial Customer Energy
17 Savings. Was this a single project? With what customer? Please indicate Hydro's expectations
18 with respect to the persistence of these savings in future years, and the likelihood of reproducing
19 these results with other customers.

20 **IN-NLH-296. Re: IN-NLH-240**

21 Please explain why the Isolated Systems Community Program has not been renewed since it
22 ended in 2014.

23 **IN-NLH-297. Re: IN-NLH-243 and NP-NLH-171.**

24 Hydro's response with respect to L'Anse au Loup that explains "why subsidizing rates that lead
25 to additional conversion to electric heat represent a good policy choice" refers primarily to
26 documents from 1996. In the last paragraph, it adds that "In Hydro's view, if any changes are
27 made to rates policies on the isolated systems, it should be done in a manner that does not cause
28 undue hardship on customers."

29 Has Hydro reflected on the possibility of making changes to the rate policy for the L'Anse au
30 Loup system which would eliminate or reduce the subsidization of rates that lead to additional
31 conversion to electric heat without causing undue hardship on customers?

32 If so, please provide the fruits of that reflection. If not, why not?

33 **IN-NLH-298. Re: IN-NLH-249, Att. 1**

1 The table presents revenue requirement impacts for the Labrador Interconnected System, taking
2 into account the suspension of work on the Labrador West Transmission Line.

3 Please calculate these revenue requirement impacts, assuming that work on the line is resumed
4 this year.

5 Please also express these revenue requirement impacts as average rate impacts.

6 **IN-NLH-299. Re: IN-NLH-250**

7 The response indicates that the Labrador West Transmission Project will improve reliability for
8 all customers in the region.

9 Please explain in detail the extent to which, absent new industrial developments in Labrador
10 West, a new transmission line is needed to improve reliability.

11 **IN-NLH-300. Re: IN-NLH-245, IN-NLH-246, IN-NLH-247, IN-NLH-248, IN-NLH-249, IN-**
12 **NLH-250, Labrador West Transmission Exemption Order**

13 All of these responses refer to the Labrador West Transmission Line. The Labrador West
14 Transmission Exemption Order indicates (s. 3) that “Hydro is exempt from the Electrical Power
15 Control Act 1994 and the Public Utilities Act for all planning, design, construction and
16 contribution activities pertaining to the Labrador West Transmission Project.”

17 Given that Hydro is exempt from the application of the PUA and EPCA with respect to the
18 Labrador West Transmission Project, why does it assume that the costs of the line should be
19 recovered through regulated rates?

20 Insofar as the need for the line is dependent on unregulated activities (e.g. the Kami mine),
21 please explain why the cost of the line should be borne by regulated customers.

22 **IN-NLH-301. Re: IN-NLH-251**

23 The response indicates that, “from 2007 to 2013, the communities of Wabush and Labrador City
24 experienced elevated levels of customer growth and energy sales”, and that “Hydro expects
25 domestic and general service load growth to moderate in Labrador West until recovery in global
26 iron ore markets renews interest in expanding iron ore developments in this region.”

27 Does Hydro expect recovery in global iron ore markets to renew interest in expanding iron ore
28 developments in this region in this decade? If so, please present the justification for this
29 expectation.

30 Based on current load forecasts for Labrador West, would the 4.6 kV distribution system have
31 been adequate through 2020?

32 **IN-NLH-302. Re: IN-NLH-252**

33 The response provided is non-responsive to the specific Request for Information, which
34 requested that Hydro explain “to what extent and at what level of detail Hydro is able to
35 distinguish between investments in Lab East and Lab West.”

1 Please explain to what extent and at what level of detail Hydro is able to distinguish between
2 investments in Lab East and Lab West.

3

4 **IN-NLH-303. Re: IN-NLH-186, Att. 1 (Rev. 1)**

5 For the following unallocated line items, please provide a reasonable estimation as to the
6 proportions that are located in Labrador East and in Labrador West, respectively.

7 If Hydro is unable to make even approximate allocations, please explain why there should be
8 uncertainty as to the location of poles and related equipment, and of “allocated meters”.

9

CLASS – DISTRIBUTION	Unit of Property	Amount
330 – Distribution Primary	T07 – Transformers – Pole Mounted	1,100,000
350 – Distribution Secondary	T07 – Transformers – Pole Mounted	875,000
370 – Distribution Services	T07 – Transformers – Pole Mounted	1,375,000
390 – Poles	P04 – Pole Cribs and Hardware	597,364
	P07 – Poles, Wood	2,211,950
	T07 – Transformers – Pole Mounted	450,000
Allocated meters		2,288,365

10

11 **IN-NLH-304. Re: IN-NLH-254**

12 Please confirm that Labrador adjusted plant in service has increased by 13.6% (from \$130.2
13 million to \$147.9 million) compared to the 2013 original GRA filing.

14 **IN-NLH-305. Re: IN-NLH-259**

15 Exhibit GCB-5 does explicitly specify the use of “Equivalent Unweighted” customers, but it
16 does not set out the methodology by which this value is to be calculated.

17 Please describe in detail the methodology that consists of dividing NP Total Customer Costs by
18 NP Cost per Rural Customer to determine “Equivalent Unweighted” customers, and provide the
19 original source(s) Hydro relied upon to establish it.

20 **IN-NLH-306. Re: PUB-NLH-392, Attachment 1**

21 Please:

- 1 • Provide the source and detailed calculation (when appropriate) for each of the figures
2 found on lines 5-8 of PUB-NLH-392, Attachment 1 (Unit Costs of Deficit);
3 • Explain in detail why the number of Labrador customers used to calculate the Unit Costs
4 of Deficit (11,600) is identical to the actual number of Labrador Interconnected
5 Customers (line 20), but the number of NP customers used to calculate the Unit Costs of
6 Deficit (8,029) is only a small fraction of the number of NP customers (260,771, on line
7 23);
8 • Provide the detailed calculations for the specifically assigned costs that have been
9 converted to equivalent unweighted customers, in calculating the Customer portion of the
10 Unit Costs of the Deficit (lines 5 and 7), and
11 • Provide an alternate version of Attachment 1, using the actual number of NP customers to
12 calculate the Unit Costs of the Deficit (line 5).

13 IN-NLH-307. **Re: IN-NLH-260**

14 The response makes reference to IC-NLH-261.

15 Please confirm that the reference is to IN-NLH-261.

16 IN-NLH-308. **Re: IN-NLH-261**

17 Attachment 1 consists of the PIRA World Oil Market Forecast dated Sept. 22, 2014.

18 Please provide a copy of the most recent PIRA World Oil Market Forecast.

19 IN-NLH-309. **Re: IN-NLH-261**

20 “Hydro accepts PIRA’s [September 22, 2014] forecasts as reasonable. If actual fuel costs vary
21 from the forecast Test Year No. 6 fuel costs on the Island Interconnected System, the
22 repercussions are rate changes to customers through the operation of the Rate Stabilization Plan.”

23 Does the RSP make it immaterial whether or not the fuel price forecasts underlying the GRA are
24 reasonable? Please explain your responses in detail. In your response, please present a detailed
25 example comparing the effect on ratepayers of a hypothetical decline in oil prices to \$40 a barrel
26 a) as the base case for the GRA, and b) under the RSP, if the GRA had assumed an oil price of
27 \$60 a barrel.

28 IN-NLH-310. **Re: IN-NLH-268**

29 Hydro declined to provide the information requested, stating that the “request is unduly onerous,
30 and requests information which is beyond that which is relevant to the issues at hand. The time,
31 effort, and expense involved in the compilation of the requested information is not warranted by
32 or proportional to the relevance, if any, of the information sought, by the significance of that
33 information in the proceeding, or by the probative value of the results.”

34 Please explain:

- 35 • why this information was relevant to an RFI based on the original application, but is not
36 relevant in the amended application,

- 1 • why its compilation in response to an RFI in relation to the original application was not
2 unduly onerous, but now it is,
3 • why the Labrador Interconnected System was excluded from the response to the original
4 RFI.

5 Please provide an updated Revenue Requirement Variance Analysis similar to the one presented
6 in NP-NLH-99 rev. 1, Att. 1, for the Labrador Interconnected System only.

7 IN-NLH-311. **Re: IN-NLH-274**

8 The table indicates that, were there to be rate adjustments in each year, the projected annual rate
9 changes for 2016 and 2017 for the Labrador Interconnected System would be 5% and 11%,
10 respectively.

11 Please indicate what these percentages would be if work on the Labrador West Transmission
12 Project were to recommence immediately, with a hypothetical in-service date in 2017.

13 IN-NLH-312. **Re: IN-NLH-278**

14 With respect to discussions with respect to Natuashish becoming an *Indian Act* reserve in 2003,
15 NLH in IN-NLH-278 stated:

16 “There was no specific impact on those discussions with respect to Natuashish becoming
17 a reserve although Hydro was aware that it could have an effect upon the parties’ roles
18 and obligations with respect to providing electrical service and as to the ownership or
19 funding of the facilities.”

20 Please elaborate on Hydro’s awareness of the effect that Natuashish becoming a reserve might
21 have upon the parties’ roles and obligations with respect to providing electrical service and the
22 ownership or funding of the facilities. Please include any documentation and correspondence in
23 your possession that is related to this awareness.

24

25 IN-NLH-313. **Re: IN-NLH-278**

26 With respect to discussions with respect to Natuashish becoming an *Indian Act* reserve in 2003,
27 NLH in IN-NLH-278 stated:

28 “There was no specific impact on those discussions with respect to Natuashish becoming
29 a reserve although Hydro was aware that it could have an effect upon the parties’ roles
30 and obligations with respect to providing electrical service and as to the ownership or
31 funding of the facilities.”

32 Please specifically delineate Hydro’s understanding of the roles and obligations of the parties in
33 the following tables:

34 In Davis Inlet

	Federal Government	NLH	Mushuau Innu First Nation	Any other entity (please specify)
Ownership of facilities				
Funding of facilities				
Operation of facilities				

1

2 In Natuashish before creation of the *Indian Act* reserve

	Federal Government	NLH	Mushuau Innu First Nation	Any other entity (please specify)
Ownership of facilities				
Funding of facilities				
Operation of facilities				

3

4 In Natuashish after creation of the *Indian Act* reserve

	Federal Government	NLH	Mushuau Innu First Nation	Any other entity (please specify)
Ownership of facilities				
Funding of facilities				
Operation of facilities				

5

6

7 **IN-NLH-314. Re: IN-NLH-195**

8 NLH stated in the response to IN-NLH-195 that the ownership of the electrical generation and
9 distribution facilities in Natuashish had been offered to it for the price of \$1.00 before the
10 Mushuau Innu First Nation had moved there. In the same response, NLH stated that it refused to
11 take ownership of these facilities unless certain conditions had been met. These conditions are
12 listed in IN-NLH-195 Att. 4 and IN-NLH-195 Att. 5.

13 With regard to those conditions:

1 Has NLH ever made as a condition of its taking ownership of certain facilities the
2 decommissioning and abandonment of another set of facilities?

3 Has NLH ever made as a condition of its taking ownership of generation and distribution
4 facilities the conveyance in fee simple to NLH of lands on which those facilities sit?

5 Has NLH ever made as a condition of its taking ownership or operation of certain facilities the
6 assurance of payment for services rendered by NLH?

7 If any of these questions are answered in the affirmative, please provide details and supporting
8 documentation.

9 **IN-NLH-315. Re: IN-NLH-195 Att 4 and Att 5**

10 In IN-NLH-195 Att. 5, NLH made as a condition to enter into negotiations to operate and
11 maintain the electrical facilities in Natuashish the assurance of payment for services rendered.

12 Was this position ever communicated to Mushuau Innu First Nation? Please include all
13 documentation showing such communication.

14

15 **IN-NLH-316. Re: IN-NLH-278**

16 In IN-NLH-278, Hydro stated that “After the installation of the electrical facilities in Natuashish
17 by MIFN on Federal Government land, Hydro was asked to provide technical and operations
18 services to MIFN with respect to those facilities owned by MIFN and the Federal Government.”

19 Please provide any correspondence detailing requests that Hydro operate and maintain the
20 electrical facilities in Natuashish without owning those assets.

21

22 **IN-NLH-317. Re: IN-NLH-195**

23 In the discussions referred to in Hydro’s response to IN-NLH-195, p. 2, line 26, did NLH seek an
24 agreement for the federal government to pay for the costs of electricity provision at Natuashish
25 until December 31, 2002? If so, please:

- 26 a) detail the reasons for this request;
27 b) provide any correspondence with regard to requests made by NLH to the federal
28 government to pay for the costs of electricity provision at Natuashish incurred since
29 December 31, 2002; and
30 c) detail reasons behind why such requests were made or not made.

31

32 **IN-NLH-318. Re: IN-NLH-277**

1 Hydro has stated that Natuashish is not within its service area. Please provide all authority and
2 bases that NLH relies on for this decision, including legal, statutory, or policy.

3

4 **IN-NLH-319. Re: IN-NLH-281; IN-NLH-015**

5 In IN-NLH-015, Hydro stated that it provides Conservation and Demand Management services
6 to Labrador Isolated customers.

7 To the best of Hydro's knowledge, does anyone provide Conservation and Demand Management
8 services to residents of Natuashish? If so, please detail who, and describe what kind of services
9 are provided.

10

11 **IN-NLH-320. Re: IN-NLH-281; IN-NLH-069**

12 In IN-NLH-069, Hydro stated that it provides Operation and Work Execution services to
13 Labrador Isolated customers.

14 To the best of Hydro's knowledge, does anyone provide Operation and Work Execution services
15 to residents of Natuashish? If so, please detail who, and describe what kind of services are
16 provided.

17

18 **IN-NLH-321. Re: IN-NLH-281; IN-NLH-069**

19 In IN-NLH-069, Hydro stated that it provides Short-Term Planning and Work Scheduling
20 services to Labrador Isolated customers.

21 To the best of Hydro's knowledge, does anyone provide Short-Term Planning and Work
22 Scheduling services to residents of Natuashish? If so, please detail who, and describe what kind
23 of services are provided.

24

25 **IN-NLH-322. Re: IN-NLH-281; IN-NLH-069**

26 In IN-NLH-069, Hydro stated that it provides Long-Term Asset Planning services to Labrador
27 Isolated customers.

28 To the best of Hydro's knowledge, does anyone provide Long-Term Asset Planning services to
29 residents of Natuashish? If so, please detail who, and describe what kind of services are
30 provided.

31

32 **IN-NLH-323. Re: IN-NLH-281; IN-NLH-069**

1 In IN-NLH-069, Hydro stated that it provides Support Service services to Labrador Isolated
2 customers.

3 To the best of Hydro's knowledge, does anyone provide Support Service services to residents of
4 Natuashish? If so, please detail who, and describe what kind of services are provided.

5

6 **IN-NLH-324. Re: IN-NLH-281; IN-NLH-069**

7 In IN-NLH-069, Hydro stated that it provides Customer Service services to Labrador Isolated
8 customers.

9 To the best of Hydro's knowledge, does anyone provide Customer Service services to residents
10 of Natuashish? If so, please detail who, and describe what kind of services are provided.

11

12 **IN-NLH-325. Re: IN-NLH-281; IN-NLH-069**

13 In IN-NLH-069, Hydro stated that it provides Project Execution and Technical Service services
14 to Labrador Isolated customers.

15 To the best of Hydro's knowledge, does anyone provide Project Execution and Technical Service
16 services to residents of Natuashish? If so, please detail who, and describe what kind of services
17 are provided.

18

19 **IN-NLH-326. Re: IN-NLH-281; IN-NLH-069**

20 In IN-NLH-069, Hydro stated that it provides System Planning services to Labrador Isolated
21 customers.

22 To the best of Hydro's knowledge, does anyone provide System Planning services to residents of
23 Natuashish? If so, please detail who, and describe what kind of services are provided.

24

25 **IN-NLH-327. Re: IN-NLH-281; IN-NLH-069**

26 In IN-NLH-069, Hydro stated that it provides Human Resources services to Labrador Isolated
27 customers.

28 To the best of Hydro's knowledge, does anyone provide Human Resources services to residents
29 of Natuashish? If so, please detail who, and describe what kind of services are provided.

30

31 **IN-NLH-328. Re: IN-NLH-281; IN-NLH-069**

1 In IN-NLH-069, Hydro stated that it provides Inventory Control and Purchasing services to
2 Labrador Isolated customers.

3 To the best of Hydro's knowledge, does anyone provide Inventory Control and Purchasing
4 services to residents of Natuashish? If so, please detail who, and describe what kind of services
5 are provided.

6

7 IN-NLH-329. **Re: IN-NLH-282**

8 Please complete the following chart, with information with respect to each electrical asset at
9 Davis Inlet as of 2006, whose cost of construction or purchase was in excess of \$50,000:

Asset	Value at 2006 General Rate Review	Value at decommissioning	Disposition (ie sold, scrapped)	Cost of remediation prior to abandonment

10

11

12 IN-NLH-330. **Re: IN-NLH-282**

13 What was the impact of Davis Inlet on the rural deficit, for each year from 1993-2007? Please
14 detail this impact for each year expressed in 2015 dollars, and as a percentage of the total rural
15 deficit in the Province.

16

17

All of which is respectfully submitted on behalf of the Innu Nation

Dated at the City of Toronto, in the Province of Ontario, this 15th day of April, 2015

Olthuis Klear Townshend LLP
Solicitors for Innu Nation

Per: 

Senwung F. Luk

- TO: The Board of Commissioners of Public Utilities
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