

December 18, 2013

VIA COURIER and ELECTRONIC MAIL

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

Attention: Ms. G. Cheryl Blundon  
Board Secretary

Dear Ms. Blundon:

RE: General Rate Application of Newfoundland and Labrador Hydro

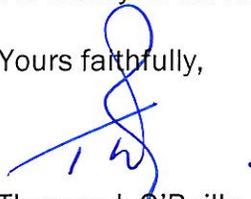
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Enclosed are the original and twelve (12) copies of Vale's further RFIs in respect of the above-noted Application.

We have provided a copy of this correspondence together with enclosures to all concerned parties.

We trust you will find the enclosed satisfactory.

Yours faithfully,



Thomas J. O'Reilly, Q.C.

TJOR/js  
Encl.

c.c. Newfoundland & Labrador Hydro  
P. O. Box 12400  
500 Columbus Drive  
St. John's, NL A1B 4K7  
Attention: Geoffrey P. Young  
Senior Legal Counsel

**Thomas J. O'Reilly, Q.C.** | Partner

Direct 709 570 5320 Main 709 738 7800 Fax 709 726 3070 Email [toreilly@coxandpalmer.com](mailto:toreilly@coxandpalmer.com)  
Suite 1000 Scotia Centre 235 Water Street St. John's NL A1C 1B6

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Newfoundland Power  
P. O. Box 8910  
55 Kenmount Road  
St. John's, NL A1B 3P6  
Attention: Gerard Hayes, Senior Legal Counsel

Thomas J. Johnson, Consumer Advocate  
O'Dea, Earle  
323 Duckworth Street  
P. O. Box 5955, Stn. C  
St. John's, NL A1C 5X4

Corner Brook Pulp and Paper Limited,  
North Atlantic Refining Limited  
and Teck Resources Limited  
Stewart McKelvey  
PO Box 5038  
11th Floor, Cabot Place  
100 New Gower Street  
St. John's, NL A1C 5V3  
Attention: Paul Coxworthy

Miller & Hearn  
450 Avalon Drive  
P.O. Box 129  
Labrador City, NL A2V 2K3  
Attention: Edward M. Hearn, Q.C.

Olthuis, Leer, Townshend LLP  
229 College Street  
Suite 312  
Toronto, ON M5T 1R4  
Attention: Stephanie Kearns

House of Commons  
Confederation Building  
Room 682  
Ottawa, ON K1A 0A6  
Attention: Yvonne Jones, MP Labrador



1 V-NLH-72 Reference: RFI V-NLH-030 – Cost Control - OMA

2 The table indicates that the actual OMA expense in 2007 was \$78.3  
3 million and the actual OMA in 2012 was \$83.6 million, an increase of  
4 \$5.3 million over five years. Please explain the forecast increase in OMA  
5 expenditure of \$5.8 million between the 2012 actual and the 2013 test  
6 year.

7 V-NLH-73 Reference: RFI IC-NLH-093, page 1 of 5, line 11 - Holyrood

8 Please provide the annual Holyrood station service load for each of the  
9 years 2008 to 2012.

10 V-NLH-74 Reference: RFI PUB-NLH-050 – Holyrood  
11 Reference: RFI NP-NLH-15

12 Using the latest forecast for load and fuel prices, please provide the  
13 forecasted Holyrood conversion factor and the resulting changes in  
14 Hydro's net income for each of the years 2014, 2015 and 2016.

15 V-NLH-75 Reference: RFI NP-NLH-029, Attachment 1 – Revenue to Cost Ratio

16 Line 7, column 8 indicates that the forecasted industrial revenue to cost  
17 ratio for 2014 will be 1.05. Please provide the forecasted industrial  
18 revenue to cost ratios for 2015 and 2016.

19 V-NLH-76 Reference: RFI NP-NLH-091 – Asset Retirement Obligations

20 Please provide the total proposed increase in 2013 test year revenue  
21 requirement due to asset retirement obligations.

22 V-NLH-77 Reference: RFI NP-NLH-091 – Asset Retirement Obligations

23 Please confirm that the asset retirement obligations are only to satisfy  
24 legal and regulatory obligations.

25 V-NLH-78 Reference: RFI NP-NLH-091 – Asset Retirement Obligations  
26 Reference: Exhibit 14, Holyrood Thermal Generating Station  
27 Decommissioning Study

28 The introduction of the report on page 1.1 states that the consultant  
29 was to identify the station components that would have to be  
30 decommissioned in order to comply with environmental regulations and  
31 those that would be part of Hydro's long term operational strategy.  
32 Please indicate what portion of the estimated \$32.1 million cost is to  
33 satisfy regulatory requirements.

- 1 V-NLH-79 Reference: RFI NP-NLH-091 – Asset Retirement Obligations  
 2 Reference: Exhibit 14, Holyrood Thermal Generating Station  
 3 Decommissioning Study
- 4 Section 4.1.1 (page 4.2) of the report discusses landscaping. Is the  
 5 landscaping a regulatory requirement?
- 6 V-NLH-80 Reference: RFI NP-NLH-091 – Asset Retirement Obligations  
 7 Reference: Exhibit 14, Holyrood Thermal Generating Station  
 8 Decommissioning Study
- 9 Section 4.0 (page 4.1) of the report states that the estimate is a class 4  
 10 opinion of probable cost with 1% to 15% of the engineering complete.  
 11 Section 4.2 (page 4.4) further states that the estimate has an accuracy  
 12 of -10% to +30%. As more accurate estimates become available, how  
 13 does Hydro propose to deal with the differences?
- 14 V-NLH-81 Reference: RFI NP-NLH-091 – Asset Retirement Obligations (ARO)
- 15 Will the PCB equipment at Holyrood be included in the Holyrood  
 16 decommissioning ARO or the PCB ARO?
- 17 V-NLH-82 Reference: RFI NP-NLH-091 – Asset Retirement Obligations (ARO)  
 18 Reference: Application Section 3.8.5.1, page 3.32, lines 6 – 7
- 19 Please provide the engineering report to support the \$2.7 million ARO  
 20 for elimination of equipment containing PCBs.
- 21 V-NLH-83 Reference: RFI V-NLH-066 to V-NLH-069  
 22 The response illustrates that the O&M expenses are classified /  
 23 allocated based on the original cost of the plant in service. Are the  
 24 original costs all expressed in constant year dollars? If not, please  
 25 provide a 2013 test year cost of service with the original costs restated  
 26 in 2013 dollars.
- 27 V-NLH-84 Reference: RFI NP-NLH-132  
 28 Please provide the Holyrood capacity factor that was approved in 2007  
 29 and the actual Holyrood capacity factors for the years 2007 to 2012.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 18<sup>th</sup> day of December, 2013.

COX & PALMER

Per: \_\_\_\_\_

Thomas J. O'Reilly, Q.C.

TO: The Board of Commissioners of Public Utilities  
Suite E210, Prince Charles Building  
120 Torbay Road  
P. O. Box 21040  
St. John's, NL A1A 5B2  
Attention: Board Secretary

TO: Newfoundland & Labrador Hydro  
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500 Columbus Drive  
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