

IN THE MATTER OF the *Electrical Power Control Act, 1994*, RSNL 1994, Chapter E-5.1 (the "EPCA") and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (the "Act") and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro ("Hydro"), pursuant to Section 71 of the *Act*, for approval of the terms and conditions applicable to the supply of electricity to North Atlantic Refinery Limited ("North Atlantic").

**NORTH ATLANTIC REFINING LIMITED
REQUESTS FOR INFORMATION
NA-NLH-1 TO NA-NLH-16**

Issued: December 11, 2013

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REQUESTS FOR INFORMATION OF NORTH ATLANTIC REFINING LIMITED

Note: All references to documentation and communications below should be understood to include, in addition to written or printed documentation and communication, documentation made, recorded or stored electronically and communications made, recorded or stored electronically.

NA-NLH-1 **Reference:** ¶4. Please provide all portions of the insurance liability policies in place up to July 1, 2013 relating to the Failure to Supply Service coverage, including any exclusions or endorsements.

NA-NLH-2 **Reference:** ¶4. Please provide all portions of the applications by or on behalf of Hydro, and any other documentation provided by or on behalf of Hydro to their insurers, prospective insurers or brokers, and any requests for any documentation by Hydro's insurers, prospective insurers or brokers, relating to the Failure to Supply Service coverage in place from 2002 to July 1, 2013 including without limiting the foregoing any representations made by or on behalf of Hydro or information sought from Hydro on any limitations of liability (or lack thereof) imposed on any industrial customer.

NA-NLH-3 **Reference:** ¶7. Please provide any documentation (in addition to Schedule, Page 1 of 1 filed with the Application) pertaining to the decision by Hydro's insurers not to provide Failure to Supply coverage due to the absence of a limitation of liability in the power supply agreement between North Atlantic and Hydro, including any correspondence between Hydro and their insurers and/or broker, and any internal Hydro correspondence.

NA-NLH-4 **Reference:** ¶7. Were there any communications between Hydro and its insurers and/or brokers about the decision to no longer provide Failure to Supply coverage prior to November 19, 2013? If so, who were the participants in those conversations, and what was the content of those communications?

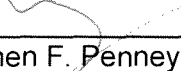
- 1 **NA-NLH-5** **Reference: ¶7, Schedule A, Page 1 of 1.** Please elaborate on how the
2 decision to no longer provide Failure to Supply Coverage in respect of
3 claims by North Atlantic purports to date back to July 1, 2013, despite
4 notice only being given to North Atlantic on November 19, 2013.
- 5 **NA-NLH-6** **Reference: ¶7.** What efforts did Hydro or their agents and/or
6 representatives make to attempt to secure Failure to Supply coverage for
7 North Atlantic from other insurers or brokers, and what were the
8 responses? Please provide all documentation of those efforts and
9 responses.
- 10 **NA-NLH-7** **Reference: ¶7 and 8.** In paragraph 8 of its Application, Hydro states that
11 “...it was determined that since Hydro’s liability to NARL was not limited in
12 any way, that the exposure was such that they were no longer willing to
13 provide coverage going forward.” [underlining added]. What inquiries did
14 Hydro make to determine the potential availability of Failure to Supply
15 coverage for claims by North Atlantic (or industrial customers generally)
16 based on a limitation of liability amount greater than \$1,000,000? Please
17 include all documentation and communications in respect of these
18 inquiries, including any quotations or other responses provided by any
19 insurers or brokers.
- 20 **NA-NLH-8** **Reference: ¶8.** Were there insurers which would not make the provision
21 of Failure to Supply Service coverage contingent on a \$1,000,000 limit of
22 liability being in place?
- 23 **NA-NLH-9** **Reference: ¶8.** Was there any difference in premium for Failure to Supply
24 Service coverage with claims by North Atlantic no longer included within
25 such coverage, and if so what was the difference in premium?
- 26 **NA-NLH-10** **Reference: ¶9.** With respect to the assurance that a limitation of liability
27 is “standard industry practice”, is Hydro aware of any specific examples in
28 other jurisdictions? If so, please provide documentation in respect of such
29 examples.
- 30 **NA-NLH-11** **Reference: ¶10.** All of Hydro’s examples for limitation of liability
31 provisions are for Ontario. Please provide all information known to Hydro
32 with respect to limitation of liability provisions in Ontario and other
33 jurisdictions.
- 34 **NA-NLH-12** **Reference: ¶16.** Does Hydro have any knowledge of any oil refineries
35 which have backup generation in place, and if so, please specify.
- 36 **NA-NLH-13** **Reference: Schedules B, C and D.** Please provide complete copies of
37 the documents from which Schedules B, C and D have been extracted.
- 38 **NA-NLH-14** What evidence does Hydro have that \$1,000,000 is the appropriate
39 limitation of liability amount for industrial customers generally, and for
40 North Atlantic specifically?

1 **NA-NLH-15** Hydro proposes that North Atlantic should have in place sufficient
2 alternative generation capacity to provide essential backup power in the
3 case of an unplanned interruption of Hydro's service to North Atlantic, as
4 would be the case with a hospital. With reference to the evidence of
5 Glenn Mifflin in Hydro's 2001-2002 General Rate Application, and Hydro's
6 subsequent knowledge of the electricity service requirements of North
7 Atlantic, does Hydro maintain that there is a valid or useful comparison to
8 be made between the capital investment required to provide essential
9 backup power requirements of a hospital and the capital investment
10 required to provide backup power for an oil refinery?

11 **NA-NLH-16** Does Hydro agree that, if North Atlantic were to make the necessary
12 capital investment to provide essential backup power for its operations, it
13 would be prohibited from utilizing that alternative generation capacity
14 other than exclusively for emergency purposes, under subsection 14.1(4)
15 of the *Electrical Power Control Act*, 1994?

DATED at St. John's, in the Province of Newfoundland and Labrador, this 11th day of
December, 2013.

STEWART MCKELVEY

Per: 
Stephen F. Penney

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