

April 15, 2015

VIA COURIER and ELECTRONIC MAIL

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: 2013 Amended General Rate Application of Newfoundland and Labrador Hydro

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. Geoffrey P. Young, Newfoundland & Labrador Hydro
Gerard Hayes, Newfoundland Power
Thomas J. Johnson, O'Dea, Earle
Paul Coxworthy, Stewart McKelvey
Dennis Browne, Q.C., Browne Fitzgerald Morgan & Avis
Nancy Kleer, Olthuis, Leer, Townshend LLP
Yvonne Jones, MP Labrador
Genevieve M. Dawson, Benson Buffett

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1 22 & 40, column 18 of the current application). The time frame is to
 2 span from the year with the earliest asset in service date to 2015. A
 3 table similar to the one below is requested.

Year	Subtotal Terminal Stations	Subtotal Transmission	Total Plant
1967			
1968			
2015			

4 **V-NLH-114** Reference: RFI V-NLH-110 Specific Assigned Charge

5 In tabular and in Microsoft Excel format, please supply the annual
 6 original costs specifically allocated to each customer. These costs are to
 7 be broken down by subtotal terminal stations, subtotal transmission and
 8 total plant. The time frame is to span from the year with the earliest
 9 asset in service date to 2015. A table similar to the one below is
 10 requested for each customer with specifically assigned charges.

11 **Table __: Breakdown of Specific Allocated Charges for 'Customer A'**

Year	Subtotal Terminal Stations	Subtotal Transmission	Total Plant
1967			
1968			
2015			

12 **V-NLH-115** Reference: RFI V-NLH-110 Specific Assigned Charge

13 Please provide the "*Functional Classification of Plant in Service for the*
 14 *Allocation of O&M Expenses*" (i.e. similar to Exhibit 13, schedule 2.2A in
 15 the current Application) and the "*Allocation of Specifically Assigned*
 16 *Amounts to Classes of Services*" (i.e. similar to Exhibit 13, schedule
 17 3.2A in the current Application) for all available historic costs of service
 18 starting at the earliest year with assets in service. If the historic cost of
 19 service is not available, then provide any forecast cost of service..
 20 Please provide the schedules in paper and Microsoft Excel format.

21 **V-NLH-116** Reference: RFI V-NLH-089 Transformer Maintenance during 2014

22 The response shows a five-fold increase in annual transformer
 23 maintenance in 2014 when compared to the previous four years. Please
 24 provide the total overtime labour cost included in the 2014 cost of
 25 \$805,907.

- 1 **V-NLH-117** Reference: RFI V-NLH-089 Circuit Breaker Maintenance during 2014
- 2 The response shows a nine-fold increase in annual transformer
3 maintenance in 2014 when compared to the previous four years. Please
4 provide the total overtime labour cost included in the 2014 cost of
5 \$621,924.
- 6 **V-NLH-118** Reference: RFI V-NLH-099 and RFI NP-NLH-280 Classification of Wind
7 Generation
- 8 Please provide the annual capacity factor for each of the jurisdictions
9 listed in the response to NP-NLH-280.
- 10 **V-NLH-119** Reference: RFI V-NLH-104 Fuel Conversion Factor
- 11 Lines 12 to 13 of the response states that “*Energy production*
12 *requirements are expected to be lower in 2017 when compared to*
13 *2016 because the hydraulic generation output is forecast to be higher*”.
14 Please quantify the expected hydraulic generation in 2016 and 2017
15 and fully explain the reason for the higher generation.
- 16 **V-NLH-120** Reference: RFI V-NLH-104 Fuel Conversion Factor
- 17 Lines 15 to 17 of the response to NV-NLH-104 states that “*The number*
18 *of unit operating hours is expected to be higher in 2017 when*
19 *compared to 2016 due to a requirement to operate a Holyrood unit*
20 *throughout the summer of 2017 for Avalon transmission support*”.
21 Please provide the time frame and the level of transmission support that
22 will be required in the summer of 2017. Also, please confirm that a
23 Holyrood unit will not be operated in the summer of 2017 in order to
24 satisfy energy requirements.
- 25 **V-NLH-121** Reference: RFI NP-NLH-318 Loss on Disposal Costs
- 26 Lines 15 to 16 in the response to NP-NLH-318 states that “*Any capital*
27 *projects that replace, upgrade or overhaul existing assets will result in*
28 *the retirement of existing assets*”. In the case of a partial upgrade, does
29 Hydro still consider the total NBV to be a loss? Examples of partial
30 upgrade would be the turbine replacement on a unit at Bay D’Espoir or a
31 rewind to a generator at Hardwoods.
- 32 **V-NLH-122** Reference: RFI CA-NLH-326 Capital Expenditures
- 33 The response to CA-NLH-326 (lines 6 to 7) states that Hydro had 2014
34 capital expenditures of \$204.7 million whereas the budget was \$268.0
35 million. Does the rate base in the 2014 COS reflect the actual capital
36 expenditures \$204.7 million? If not, please fully explain the reason the

1 rate base in the 2014 COS does not reflect the actual capital
2 expenditures and calculate what the difference in total revenue
3 requirement would be if the actual capital expenditure of \$204.7 million
4 was included in the 2014 COS instead of the budgeted capital
5 expenditure of \$268.0 million.

6 **V-NLH-123** Reference: RFI CA-NLH-326 Capital Expenditures

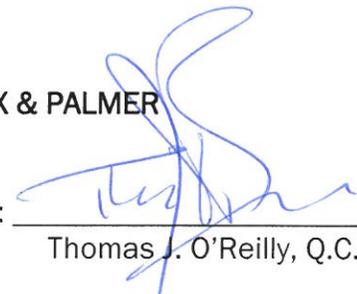
7 The response to CA-NLH-326 (lines 22 to 23) states that Hydro is
8 forecasting 2015 capital expenditures of \$119.6 million whereas the
9 budget is for \$282.1 million. Does the rate base in the 2015 COS reflect
10 the actual capital expenditures \$119.6 million? If not, please fully
11 explain the reason the rate base in the 2015 COS does not reflect the
12 actual capital expenditures and calculate what the difference in total
13 revenue requirement would be if the actual capital expenditure of
14 \$119.6 million was included in the 2015 COS instead of the budgeted
15 capital expenditure of \$282.1 million.

16 **V-NLH-124** Reference: RFI PUB-NLH-379 Corporate Hours Allocated to Hydro

17 Further to CA-PUB-379, please provide the dollar value of the extra
18 hours charged to Hydro as a result of work by the President and Chief
19 Executive Officer, Vice-President Finance, and Vice-President Corporate
20 Communications in relation to the power outages of January 2014 and
21 the follow-up activity that was undertaken in relation to the outages.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 15th day
of April, 2015.

COX & PALMER

Per: 
Thomas J. O'Reilly, Q.C.

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