

November 25, 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: Interim General Rate Application of Newfoundland and Labrador Hydro**

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Enclosed are the original and twelve (12) copies of Vale's 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

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November 25, 2013

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

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

**AND IN THE MATTER OF** an application by Newfoundland and Labrador Hydro, pursuant to Sections 70 and 75 of the Act, for the approval of customer electricity rates for 2014 on an interim basis or, in the alternative, for a deferral and recovery mechanism.

1 REQUESTS FOR INFORMATION OF VALE NEWFOUNDLAND & LABRADOR LIMITED

2 V-NLH-01 to V-NLH-06

3 Issued November 25, 2013

4 V-NLH-01 Reference: General Rate Application filed July 30, 2013, Rate Schedule  
5 B, Section F: RSP Surplus, pages 8 – 10.

6 On a monthly basis, please provide in tabular form the forecast demand  
7 and energy for the years 2013 to 2018 for each of, Vale, CBPP, NARL,  
8 Praxair and Teck Resources.

9  
10 **V-NLH-02** Reference: General Rate Application filed July 30, 2013, Rate Schedule  
11 B, Section F: RSP Surplus, pages 8 – 10.  
12 Reference: RSP Application 2013, RFI IC-NLH-1

13 IC-NLH-1 shows that, based on Hydro's proposed phase-in, the forecast  
14 drawdown during the phase in period will be \$10,698,855 for the  
15 industrial customers excluding Teck. Please provide the forecast  
16 drawdown for each of Vale, CBPP, NARL and Praxair.

1 **V-NLH-03** Reference: General Rate Application filed July 30, 2013, Rate Schedule  
2 B, Section F: RSP Surplus, pages 8 – 10.  
3 Reference: RSP Application 2013, RFI IC-NLH-1

4 IC-NLH-1 shows that, based on Hydro's proposed phase-in, the total  
5 forecast drawdown, including Teck Resources, will be \$12,172,725.  
6 Based on the forecast demand and energy, please provide the balance  
7 in the RSP Surplus that is forecasted to be owing to Hydro on Sept. 1,  
8 2015.

9 **V-NLH-04** Reference: General Rate Application filed July 30, 2013, Rate Schedule  
10 B, Section F: RSP Surplus, pages 8 – 10.  
11 Reference: RSP Application 2013, RFI IC-NLH-1

12 Using the amount provided in V-NLH-03 for the balance in the RSP  
13 Surplus that is forecasted to be owing to Hydro on Sept. 1, 2015, using  
14 forecast demand and energy post September 1, 2015, please advise  
15 the amount of the balance owing at the end of the phase in period that  
16 each of the industrial customers will repay.

17 **V-NLH-05** Reference: General Rate Application filed July 30, 2013, Rate Schedule  
18 B, Section F: RSP Surplus, pages 8 – 10.

19 Please complete the following table using forecasted demand and  
20 energy:

21 **Net Phase-In Drawdown by Industrial Customer (\$)**

Industrial Customer	Phase-In Drawdown	RSP Balance Payment	Net Drawdown
Vale			
CBPP			
NARL			
Praxair			
Teck			

22 Where:

- 23 • Phase-in drawdown is the amount of drawdown for each  
24 customer as provided in V-NLH-02
- 25 • RSP Balance Payment is the impact on each of the industrial  
26 customers due to the balance in the RSP Surplus that is  
27 forecasted to be owing to Hydro on Sept. 1, 2015
- 28 • Net Drawdown is the Phase-In Drawdown less the RSP Balance  
29 Payment

1 **V-NLH-06** Reference: General Rate Application filed July 30, Rate Schedule B,  
2 Section F: RSP Surplus, pages 8 – 10.  
3 Reference: Rate Stabilization Plan Monthly Report for August 2013

4 With reference to the August 2013 RSP Report, please confirm that the  
5 following transactions occurred:

6 • Load variation amount removed from the IC RSP \$160,749,555  
7 • Load variation amount removed from the NP RSP \$823,770  
8 • Amount of load variation allocated to the IC RSP \$ 49,000,000  
9 • Amount of load variation allocated to the NP RSP \$112,573,325  
10 • IC amount owing to Hydro after load variation removed \$ 38,129,373  
11 • IC amount available for phase-in of IC rate increases \$ 10,870,627

12 **V-NLH-07** Reference: General Rate Application filed July 30, Application Schedule  
13 B: Rate Stabilization Plan (Interim)

14 Please indicate where in the Application it states that schedule B refers  
15 to the proposed 2013 test year cost of service and not the approved  
16 2007 test year.

17 **V-NLH-08** Reference: General Rate Application filed July 30, Application Schedule  
18 B: Rate Stabilization Plan (Interim), Sections A(1), A(2), A(4), B(1.1),  
19 B(1.2), B(1.3), C(1), C(2), D(1), D(2) and F(2)

20 Each of the above referenced sections refers to various test year cost of  
21 service parameters or approved test year cost of service parameters.  
22 For each occurrence, please clarify if the term “test year” means the  
23 approved 2007 test year or the proposed 2013 test year parameters.

24 **V-NLH-09** Reference: General Rate Application filed July 30, Application Schedule  
25 B: Rate Stabilization Plan (Interim), Section C(2)

26 In the explanation of the formula term “W”, there is a reference to the  
27 2007 test year fuel consumption less 598,298 barrels due to closure or  
28 reduced load at the two paper mills. Please confirm whether the  
29 intended reference is 2007 as stated or 2013.

30 **V-NLH-10** Reference: General Rate Application filed July 30, Application Schedule  
31 B: Rate Stabilization Plan (Interim), Section C(2), page 6 of 10, first  
32 paragraph

1 This paragraph refers to a load reduction by Abitibi Consolidated. Please  
2 clarify if that has any relevance to the current interim application. If so,  
3 please explain how.

4 **V-NLH-11** Reference: General Rate Application filed July 30, Application Schedule  
5 B: Rate Stabilization Plan (Interim), Section F(3)

6 In the explanation of the formula term "B", please clarify whether the  
7 "approved island industrial customer base rate" is the 2007 approved  
8 rate, the proposed phase-in rate or the proposed 2013 test year rate.

9 **V-NLH-12** Reference: General Rate Application filed July 30, Application Schedule  
10 A: Industrial – Firm (Interim), pages 5 & 6 of 11

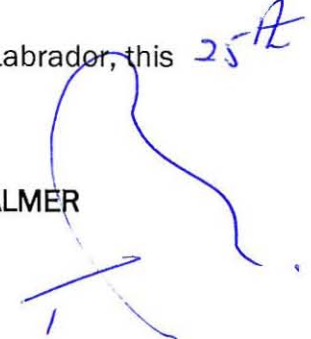
11 The industrial firm rate is on page 5 and the phase in industrial firm rate  
12 is on page 6. Please indicate where in the application that it states  
13 which of these two rates becomes effective on January 1, 2014. As the  
14 application is for interim rates, please explain why the rates on page 5  
15 are necessary.

16 **V-NLH-13** Reference: General Rate Application filed July 30, Evidence, Section 6.0

17 Should the Board approve a regulatory deferral and recovery mechanism  
18 instead of interim rates, is it Hydro's intention to have a separate  
19 account to recover costs from each individual industrial customer?

DATED at St. John's, in the Province of Newfoundland and Labrador, this 25<sup>th</sup> day  
of November, 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  
P. O. Box 12400  
500 Columbus Drive  
St. John's, NL A1B 4K7  
Attention: Geoffrey P. Young  
Senior Legal Counsel
- TO: Newfoundland Power  
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Stewart McKelvey  
PO Box 5038  
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100 New Gower Street  
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- TO: Miller & Hearn  
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Attention: Edward M. Hearn, Q.C.
- TO: Olthuis, Leer, Townshend LLP  
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Toronto, ON M5T 1R4  
Attention: Stephanie Kearns

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Confederation Building  
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Attention: Yvonne Jones, MP Labrador