

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

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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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
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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
- RSP Balance Payment is the impact on each of the industrial
25 customers due to the balance in the RSP Surplus that is
26 forecasted to be owing to Hydro on Sept. 1, 2015
- Net Drawdown is the Phase-In Drawdown less the RSP Balance
27 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 25th day
of November, 2013.

COX & PALMER

Per: _____

Thomas J. O'Reilly, Q.C.

TO: The Board of Commissioners of Public Utilities
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Attention: Board Secretary

TO: Newfoundland & Labrador Hydro
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Attention: Geoffrey P. Young
Senior Legal Counsel

TO: Newfoundland Power
P. O. Box 8910
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TO: 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

TO: Miller & Hearn
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Attention: Edward M. Hearn, Q.C.

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Toronto, ON M5T 1R4
Attention: Stephanie Kearns

TO: House of Commons
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Room 682
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Attention: Yvonne Jones, MP Labrador