

September 23, 2013

VIA XPRESSPOST 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: RIF by the Towns of Labrador, Wabush, Happy Valley-Goose Bay, North
West River (LWHN)

Enclosed are the original and twelve (12) copies of Request for Information by
the Towns of Labrador, Wabush, Happy Valley-Goose Bay, North West River
(LWHN).

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

We trust you will find the enclosed satisfactory.

Yours truly,

MILLER & HEARN

Edward M. Hearn, Q.C.
EMH/cc
Enclosure:

September 23, 2013

Newfoundland & Labrador Hydro
Hydro Place
500 Columbus Drive
St. John's, NL_ **A1V AK7**
Attention: Mr. Colin Feltham

Newfoundland-Power
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1 B 3P6
Attention: Gerard Hayes, Senior Legal Counsel

Newfoundland Power Inc. 5
Kenmount Road
St. John's, NL A1B 3P6
Attention: Mr. Peter Alteen

Curtis Dawe
11th Floor, Fortis Building
139 Water Street
St. John's, NL A1C 5J9
Attention: Liam O'Brien

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

Praxair Canada Inc.
1 City Centre Drive
Mississauga, ON L5B 1M2
Attention: Mr. David Meade

Praxair Canada Inc.
1 City Centre Drive, Suite 1200
Mississauga, ON L5B 1M2
Attention: Sheryl Nisenbaum,
Assistant Secretary

September 23, 2013

Corner Brook Pulp and Paper Limited,
North Atlantic Refining Limited

And Teck Resources Limited

Stewart McKelvey

P.O. Box-5038 - 11th

Floor, Cabot Place 100

New Gower Street St.

John's, NL A1 C 5V3

Attention: Paul Coxworthy

Poole Althouse

Western Trust Building

49-51 Park Street

Corner Brook, NL A2H 2X1

Attention: Dean A. Porter

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: Nancy Kleer

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 Public
Utilities Act, R.S.N. 1990, Chapter P-47
(the Act), and

IN THE MATTER OF a General Rate Application
(the Application) by Newfoundland and Labrador Hydro
for approvals of, under Section 70 of the Act, changes in
the rates to be charged for the supply of power and
energy to Newfoundland Power, Rural Customers and
Industrial Customers; and under Section 71 of the Act,
Changes in the Rules and Regulations applicable to the
Supply of electricity to Rural Customers.

Requests for Information by the
Towns of Labrador, Wabush,
Happy Valley-Goose Bay, North West River (LWHN)

1 - 1 9

September 23, 2013

1. REQUESTS FOR INFORMATION OF LWHN

2. LWHN -NLH-1 to LWHN-NLH-19

3, Issued September 23, 2013

4. LWHN-NLH-1

5. NL Hydro has indicated (Vol.1, p.1.2 and p.3.23
6. footnote 14)That it has made capital expenditure of
7. approximately \$39 million on the Labrador
8. Interconnected System over the period 2007-2013.
9. Please provide a breakdown of these expenses by
10. component and give the rationales for the allocation
11. the cost between regulated and non-regulated
12. customers. Identify the main beneficiaries of the
13. expenditures.

14. LWHN-NLH-2

15. Regarding the new general service customer
16. involved in the construction of the Muskrat Falls
17. Project please clarify the following. How much capital
18. expenditure will be required to connect this customer?
19. If the construction work for Muskrat Falls were
20. undertaken directly by Nalcor and its employees, or
21. NL Hydro itself, instead of a contractor then would the
22. status of this sale be considered regulated or non-
23. regulated? How much energy will this activity
24. require?

25. LWHN-NLH-3

26. What is the total 2013 capital base of NL Hydro's
27. Labrador Integrated System? How does that break
28. down into the following categories: regulated rate
29. base, non-regulated local customers, and non-
30. regulated exports? Explain the methodology for such
31. an allocation.

1. LWHN-NLH-4

2. Regarding-Load-forecast -please provide a _____
3. breakdown of the forecast annual growth
4. between regulated and non-regulated customers as
5. _____ listed in Regulated Activities - Schedule III, p.1 of 1.

6. LWHN-NLH-5

7. The provincial government expects many mining
8. developments in Labrador. It states that "Based on
9. projects already in construction or near sanction,
10. existing generating capacity in Labrador may be
11. exhausted by 2015-17."
12. [www.powerinourhands.ca/pdf/Labrador Mining.pdf](http://www.powerinourhands.ca/pdf/Labrador%20Mining.pdf) p.1)
13. Why is this not taken into account in the
14. Load Forecast in Table 2.18 (p.2.43)?

15. LWHN-NLH-6

16. If there are new mining developments in Labrador and
17. if their construction or operation uses the Labrador
18. Interconnected System then will all the incremental
19. capital cost to the system be paid by these new
20. users? What will NL Hydro's policies be in this
21. regard?

22. LWHN-NLH-7

23. When the Twinco lease expires at the end of 2014,
24. will the associated power continue to be sold to the
25. mining companies as at present and on the same
26. terms? Will such sales be considered a regulated
27. activity? Will any of the Twinco assets be taken over
28. by NL Hydro and become part of its rate base? More
29. generally, will there be any impacts on regulated
30. ratepayers in the Labrador Interconnected System
31. when the lease expires? Please explain.

1. LWHN-NLH-8

2. Please provide copies of any orders-in-council or
3. other directives and guidance from government
4. regarding the allocation of the rural deficit between
5. Newfoundland Power and the Labrador
6. Interconnected System.

7. LWHN-NLH-9

8. Please provide copies of any in-house or consulting
9. reports that NL Hydro has had completed with respect
10. to the allocation of the rural deficit over the past 10
11. years.

12. LWHN-NLH-10

13. Please provide a copy of The Report on Rural
14. Electrical Service, 1996.

15. LWHN-NLH-11

16. Regarding the calculation for allocating the rural
17. deficit (Exhibit 13, Schedule 1.2.1, p.1 of 2), please
18. explain why the customer amount for the Labrador
19. Interconnected System, at \$4,725,549 (line 2, column
20. 5) is larger than the customer amount for
21. Newfoundland Power, at \$4,401,167 (line 1, column
22. 5).

23. LWHN-NLH-12

24. If in the Labrador Interconnected System, NL Hydro
25. were only the wholesaler and some private company
26. were the distributor, but with all else unchanged, then
27. how would the calculation of the allocation of the rural
28. deficit be affected?

1. - LWRIN4-NtH-11

2. Regarding the calculation for allocating the rural
3. deficit (Exhibit 13, Schedule 1.2.1, p.1 of 2), please
4. explain how the number of customers associated with
5. Newfoundland Power is only 9,096 (line 6, column 5).
6. In particular, provided the details of the calculation
7. that yields that number.

8. LWHN-NLH-14

9. Regarding the calculation for allocating the rural
10. deficit (Exhibit 13, Schedule 1.2.1, p.1 of 2), please
11. clarify the meaning of CP. Specifically, do the figures
12. for Newfoundland Power and the Labrador
13. Interconnected System (at 1,175,961 kW and 137,599
14. kW, respectively, and as found on lines 6 and 8 of
15. column 3) occur at the same time? Or, is the CP
16. found defined by the sum of the two systems'
17. respective peaks, which presumably occur at different
18. times?

19. LWHN-NLH-15

20. Please explain whether the CP of two unconnected
21. systems has any significance with respect to sound
22. utility practice.

23. LWHN-NLH-16

24. For the years 2003 to 2012, please provide a table
25. showing the total annual rural deficit, the share of it
26. paid by Newfoundland Power and the share borne by
27. the Labrador Interconnected System. Also include
28. forecasts for 2013 to 2016.

1. LWHN-NLH-17

2. For the years 2003 to 2012, please provide a table
3. showing energy sales to Newfoundland-Power in kW
4. hours, energy sales to Labrador Interconnected
5. System customers in kW hours, Newfoundland
6. Power's portion of the rural deficit per kW hour sold to
7. it, and the Labrador Interconnected System's portion
8. of the rural deficit per kW hour sold on that system.
9. Also include forecasts for 2013 to 2016.

10. LWHN-NLH-18

11. For 2013, the Revenues to Cost Coverage Ratio for
12. Newfoundland Power is given as 1.14 (Exhibit 13,
13. Schedule 1.2, p.2 of 6) and it is 1.44 for the Labrador
14. Interconnected System (Exhibit 13, Schedule 1.2, p.6
15. of 6). For the years 2003 to 2012, please provide a
16. table showing for the corresponding annual figures,
17. and also include in that table the forecasts for 2013 to
18. 2016.

19. LWHN-NLH-19

20. What actions has NL Hydro taken to encourage
21. conservation on the Labrador Interconnected System,
22. included conservation by non-regulated customers?

DATED at Labrador City, Newfoundland and Labrador this 23rd day of
September, 2013.

Edward M. Hea n Q. C.
