

POOLE ALTHOUSE

BARRISTERS AND SOLICITORS

Jamie Merrigan, Q.C.
Dean A. Porter
J. Annette Bennett

Margaret C. Hepditch
Robby D. Ash
Glen G. Seaborn

Melissa May
Jonathan M. Andrews
Giselle Jones

Toll Free: 1 877 634-3136
E-Mail: info@poolealthouse.ca
www.poolealthouse.ca

■ **CORNER BROOK**
Telephone: 709 634 -3136
Fax: 709 634 8247/9815
Western Trust Building
49-51 Park Street
Corner Brook, NL
Canada A2H 2X1

□ **Happy Valley-Goose Bay**
Telephone: 709 896-8777
Fax: 709 896-8779
49A Grenfell Street
PO Box 1450, Station B
Happy Valley-Goose Bay, NL
Canada A0P 1E0

Edward P. Poole, Q.C., Retired
D. Paul Althouse, Q.C., Retired

March 24, 2017

Via Electronic Mail & Courier

Newfoundland and Labrador Board
of Commissioners of Public Utilities
120 Torbay Road
P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. G. Cheryl Blundon
Director of Corporate Services and Board Secretary

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro - 2013 General Rate Application - Compliance Application – Grant Thornton Expert Report - Requests for Information IC-PUB-1 to IC-PUB-4

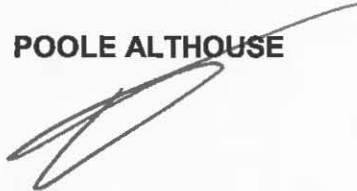
Please find enclosed the original and twelve (12) copies of the Requests for Information of the Island Industrial Customers Group in relation to the above noted matter.

A copy of the letter, together with the enclosures, has been forwarded directly to the parties listed below.

We trust you find the foregoing satisfactory.

Yours very truly,

POOLE ALTHOUSE



Dean A. Porter

DAP/lp

March 24th, 2017

Page 2

J:\Clients\4648-13\Blundon ltr 13.doc

cc: Tracey Pennell, Newfoundland and Labrador Hydro
Gerard Hayes, Newfoundland Power
Paul Coxworthy, Stewart McKelvey
Thomas J. O'Reilly, Q.C., Cox & Palmer
Senwung Luk, Olthuis, Kleer, Townshend LLP
Yvonne Jones, MP, Labrador
Dennis Browne, Q.C., Browne Fitzgerald Morgan & Avis
Genevieve Dawson, Benson Buffett
Larry Bartlett, Tech Resources Ltd.

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 by Newfoundland and Labrador Hydro to establish customer electricity rates for 2015;

AND IN THE MATTER OF an Amended General Rate Application filed by Newfoundland and Labrador Hydro on November 10, 2014;

AND IN THE MATTER OF an application (the GRA Compliance Application) by Newfoundland and Labrador Hydro for approval of changes to the rates, tolls and charges for the supply of power and energy to customers, and changes to the rules and regulations applicable to the supply of power and energy to customers, reflecting the determinations set out in Order No. P.U. 49(2016).

**ISLAND INDUSTRIAL CUSTOMERS GROUP
REQUESTS FOR INFORMATION
IC-PUB-1 to IC-PUB-4**

Issued: March 24, 2017

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 by Newfoundland and Labrador Hydro to establish customer electricity rates for 2015;

AND IN THE MATTER OF an Amended General Rate Application filed by Newfoundland and Labrador Hydro on November 10, 2014;

AND IN THE MATTER OF an application (the GRA Compliance Application) by Newfoundland and Labrador Hydro for approval of changes to the rates, tolls and charges for the supply of power and energy to customers, and changes to the rules and regulations applicable to the supply of power and energy to customers, reflecting the determinations set out in Order No. P.U. 49(2016).

REQUESTS FOR INFORMATION OF
THE ISLAND INDUSTRIAL CUSTOMERS GROUP
IC-PUB-1 to IC-PUB-4

IC-PUB-1

With the reference of calculation of 2014 average rate base [Table 7 on page 18, and related note #3 on page 20, of the Grant Thornton Report] please provide a full description of Grant Thornton's understanding of the calculation of the 2014 revenue deficiency (\$17.848 million in deferred charges) and the rationale for its inclusion in 2014 rate base.

IC-PUB-2

Please confirm Grant Thornton's understanding (per Hydro's Exhibit 2, page 11 lines 16-19 of the GRA Compliance Application) that Hydro had originally sought to recover this 2014 revenue deficiency through the RSP effective December 31, 2014, and had that occurred Hydro would not have received any "return" or "interest" costs associated with the 2014 revenue deficiency during calendar year 2014. If that is confirmed, please discuss the rationale for Hydro to

1 now include the 2014 revenue deficiency for the purposes of
2 calculating a 2014 rate base and return (i.e., what is it that
3 changed to allow Hydro a return on this amount within the
4 2014 calendar year, as compared to Hydro's original request
5 that included no such return)?

6 **IC-PUB-3**

7 Please provide any recent regulatory precedent in
8 proceedings before the Board or elsewhere that Grant
9 Thornton is aware of (if any) for a utility to earn a return on a
10 test year revenue deficiency within the same calendar year
to which the revenue deficiency relates.

11 **IC-PUB-4**

12 Please provide Grant Thornton's view regarding the 2014
13 revenue deficiency alternatively being established as a
14 deferred balance outside of rate base, effective December
15 31, 2014, and only being credited with interest equivalent to
16 a short-term cost of capital from the date of establishment to
17 the date of collection (e.g., short-term interest rate) as
opposed to a full return on rate base.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 24 day of
March, 2017.

POOLE ALTHOUSE

Per: 

Dean A. Porter

STEWART MCKELVEY

Per: 

Paul L. Coxworthy

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: Tracey L. Pennell, Senior Counsel, Regulatory

TO: Dennis Browne, Q.C., Consumer Advocate
Browne Fitzgerald Morgan & Avis
Terrace in the Square
St. John's, NL A1B 4J9

TO: Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6
Attention: Gerard Hayes, Senior Legal Counsel

TO: Cox & Palmer
Scotia Centre, Suite 1000
235 Water Street
St. John's, NL A1C 1B6
Attention: Thomas J. O'Reilly Q.C.

TO: Miller & Hearn
450 Avalon Drive
PO Box 129
Labrador City, NL A2V 2K3

TO: Olthuis, Kleer, Townshend LLP
229 College Street, 3rd Floor
Toronto, ON M5T 1R4
Attention: Senwung Luk

TO: House of Commons
Confederation Building
Room 682
Ottawa, ON K1A 0A6
Attention: Yvonne Jones, Member of Parliament, Labrador

TO: Benson Buffett
Suite 900, Atlantic Place
P.O. Box 1538, Stn. C.
215 Water Street
St. John's, NL A1C 5N8
Attention: Genevieve M. Dawson

TO: Teck Resources Limited
Duck Pond Operations
P. O. Box 9
Millertown, NL A0H 1V0
Attention: Larry Bartlett