

IN THE MATTER OF the
Public Utilities Act, (the “*Act*”)

AND,

IN THE MATTER OF an Application by
by Newfoundland and Labrador Hydro for
an Order approving the cost of Low Sulphur
Fuel as a fuel cost component to be recovered
through the Rate Stabilization Plan charged
to Newfoundland Power Inc., and the Island
Industrial Customers, pursuant to Section 71
of the *Act*.

INFORMATION REQUESTS

PUB 1.NLH

When does NLH propose to begin purchasing the 1% sulphur fuel? Please set out all significant timelines including when contracts will be formed, shipments ordered, shipments delivered?

PUB 2. NLH

Is there a date that NLH requests that the order of the Board in relation to this application be issued? In your answers please set out the significance of any dates and the impacts of receiving later approval?

PUB 3.NLH

On page 2 of Newfoundland & Labrador Hydro’s (NLH) covering letter to the application for approval of the recovery of the costs of 1% sulphur fuel through the Rate Stabilization Plan, dated January 20, 2006, NLH states that it has recorded an incident where it exceeded acceptable levels of sulphur dioxide in the local environment. Please provide the details of the levels and events surrounding this incident.

PUB 4.NLH

By what standards does NLH judge the levels of sulphur dioxide in the environment to be acceptable?

PUB 5.NLH

What are the levels that are prescribed by these standards?

PUB 6.NLH

Have there been any subsequent events recorded by the air monitoring stations that approach or exceed the levels prescribed in the standards used by NLH?

PUB 7.NLH

On page 3 of NLH's covering letter, it is implied that the use of fuel with a lower sulphur content will cause sulphur dioxide levels to be reduced by 50%, total particulate emissions to be reduced by 40 to 60 percent, and opacity levels to be significantly reduced. The SGE Acres Limited report, p. 4-6, section 4.2.3.1, however, states that "With no change to the current particle size distribution profile, the use of a lower sulphur content fuel oil could achieve the objective of 20 percent reduction in PM₁₀ emissions." Provide detailed documentation setting out the anticipated impact of the switch from 2% to 1% sulphur?

PUB 8.NLH

Provide documentation, showing the evaluation of all available options considered by NLH, including the use of fuels with various levels of sulphur content over different periods of time so that the financial effect of this transition would be spread over a longer period of time?

PUB 9.NLH

What is the likelihood that the move to 1% sulphur will lower emissions levels such that NLH is in accordance with existing standards?

PUB 10.NLH

If the change to 1% sulphur content does not fully achieve the desired results, what plan does NLH have for future improvements to the PM₁₀, the SO₂ emissions and the opacity of the Holyrood Thermal Generating Station?

PUB 11.NLH

In undertaking a cost benefit analysis of the options available, how has the possibility that the move to the use of 1% sulphur fuel may not achieve the desired effect been considered in the analysis, setting out as well the impact of the costs of other alternatives?

PUB 12.NLH

In evaluating the options considered, how were the probabilities of options such as a transmission in-feed from the Lower Churchill or the conversion of the Holyrood Thermal Generating Station to burn natural gas instead of Bunker "C" factored into the analysis?

PUB 13.NLH

Page 6, item 14 of the Application states that “At present 1% sulphur fuel costs more than \$6 more per barrel than 2% sulphur fuel but it is forecast that this incremental cost will be approximately \$3.00 per barrel by the end of 2006 and less than \$3.00 for 2007.” The SGE Acres Limited report entitled “Air Emissions Control Assessment – Holyrood Thermal Generating Station Final Report”, dated February 2004, page 4-7, section 4.3, states that “The incremental cost of low sulphur fuel is forecast to increase over the period.” Provide documentation, setting out the source, used to provide forecast costs of No. 6 fuel with 1% and with 2% sulphur content over a sixteen-year period?

PUB 14.NLH

The SGE Acres Limited report, p. 5-2, references a discussion paper issued by Environment Canada presenting a target to achieve a Canadian standard for sulphur in fuel oils of 1.0 percent. Since this report was prepared in February 2004, what further action has been taken by Environment Canada with regard to the establishment of a Canadian standard?

DATED at St. John’s, Newfoundland and Labrador this 21st day of February 2006.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per _____

Barbara Thistle
Assistant Board Secretary