



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: gyoung@nlh.nl.ca

2018-06-07

Mr. Geoff Young
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Mr. Young:

Re: Newfoundland and Labrador Hydro - 2017 General Rate Application - Approval to Defer the 2015, 2016 and 2017 Balances in the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account and the Holyrood Conversion Rate Deferral Account - Requests for Information

In correspondence dated May 24, 2018 the Board advised that it had retained Liberty Consulting Group ("Liberty") to review Hydro's operational philosophy and practices regarding the operation of stand by generation to meet forecast system requirements. Upon review of the materials Liberty has identified further information requirements. Enclosed are requests for information ("RFIs") PUB-NLH-170 to PUB-NLH-174. Responses to these RFIs must be filed by June 12, 2018.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland & Labrador Hydro**
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Labrador Interconnected Group
Mr. Senwung Luk, E-mail: sluk@oktlaw.com

1 **IN THE MATTER OF**
2 the *Electrical Power Control Act, 1994*,
3 SNL 1994, Chapter E-5.1 (the “*EPCA*”)
4 and the *Public Utilities Act*, RSNL 1990,
5 Chapter P-47 (the “*Act*”), as amended; and
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7 **IN THE MATTER OF** a General Rate
8 Application by Newfoundland and Labrador
9 Hydro to establish customer electricity rates
10 for 2018 and 2019; *and*
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12 **IN THE MATTER OF** an application by
13 Newfoundland and Labrador Hydro for approval
14 to defer the balances in: i) the Isolated Systems
15 Supply Cost Variance Deferral Account; ii) the
16 Energy Supply Cost Variance Deferral Account;
17 and iii) the Holyrood Conversion Rate Deferral
18 Account.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-170 to PUB-NLH-174

Issued: June 7, 2018

1 **Deferral of 2015, 2016 and 2017 Supply Costs Application**

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PUB-NLH-170 Is non-spinning reserve, assuming it is available within 10 minutes, suitable to help in part to meet the loss of the largest unit criterion? Given that UFLS is necessary in any event, should non-spinning 10 minute reserves be used for reserve purposes under Hydro’s circumstances?

PUB-NLH-171 Please discuss the costs associated with a GT on line for the provision of spinning reserve. Are the fuel costs provided only those for startup and for maintaining minimum load? Or do the costs for spinning reserve also reflect any above-minimum load at which the unit is operating?

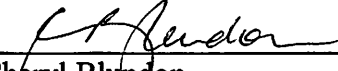
PUB-NLH-172 Please provide any cost estimates prepared in support of the decision to employ N-1 and added spinning reserve.

PUB-NLH-173 Please provide any internal documentation, including formal management approval, of the decision to employ N-1 and added spinning reserve.

PUB-NLH-174 Regarding Tables 6, 8 and 10 of the Application, please clarify the extent to which “support of spinning reserve” might overlap with other functions. Specifically, if the requirement for spinning reserves to cover the loss of the largest unit had not been implemented during 2015-17, how would Tables 6, 8 and 10 be modified?

DATED at St. John’s, Newfoundland this 7th day of June, 2018.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
Cheryl Blundon
Board Secretary