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March 2, 2015

Ms. G. Cheryl Blundon, Board Secretary
Board of Commissioners of Public Utilities
120 Torbay Road
P.O. Box 21040
St. John's NL A1A 5B2

Dear Ms Blundon:

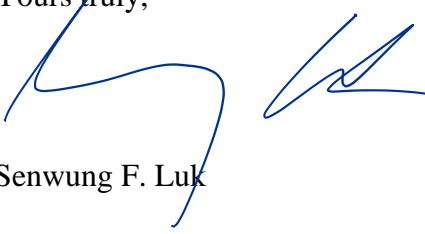
Re: Re: 2013 Amended General Rate Application of Newfoundland and Labrador Hydro

Enclosed are the original and twelve (12) copies of Innu Nation'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 truly,


Senwung F. Luk

/cb
Encl
cc:

Thomas J. O'Reilly, Cox & Palmer, Suite 1000, Scotia Centre 235 Water Street, St Johns, NL A1C 1B6

Geoffrey P. Young, Senior Legal Counsel Newfoundland & Labrador Hydro P.O. Box 12400 500 Columbus Drive St. John's, NL A1B 4K7

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

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Genevieve M. Dawson Benson Buffett 9th Floor, Atlantic Place 215 Water Street P.O. Box 1538 St. John's, NL A1C 5N8

Dean A Porter Poole Althouse, 49-51 Park Street, Coener Brook, NL A2H 2X1

IN THE MATTER OF the *Public Utilities Act*, RSN 1990, Chapter P-46 (the “Act”);
and

IN THE MATTER OF a General Rate Application (the “Application”) by Newfoundland and Labrador Hydro (the “Applicant”) 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 Individual 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 Innu Nation

IN-NLH-231 to IN-NLH-283

March 2, 2015

Requests for Information – Round 3

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IN-NLH-231. Updated RFIs

Please provide updates for the following RFIs. If none of the information in the earlier response has changed, please so indicate.

- IN-NLH-34
- IN-NLH-47
- IN-NLH-48
- IN-NLH-56
- IN-NLH-96
- IN-NLH-107
- IN-NLH-118
- IN-NLH-152
- IN-NLH-160
- IN-NLH-162
- IN-NLH-165
- IN-NLH-170
- IN-NLH-171
- IN-NLH-172
- IN-NLH-177
- IN-NLH-178
- IN-NLH-180
- IN-NLH-199
- IN-NLH-200
- IN-NLH-202
- LWHN-NLH-055
- CA-NLH-53
- CA-NLH-166, rev. 2
- CA-NLH-208

Load forecasts

IN-NLH-232. Re: IN-NLH-003, rev. 1

Preamble:

The RFI requested load forecast data for “each of the Isolated communities in Labrador, Sheshatshiu, Natuashish, Northwest River, Happy Valley-Goose Bay, Labrador City, and Wabush.”

The response provides monthly forecast data for the Test Year for Lab City and Wabash only. No explanation is provided as to why similar information is not presented for Sheshatshiu, Northwest River and Happy Valley-Goose Bay.

Please provide data similar to that found in IN-NLH-003, Rev. 1, page 2, for Sheshatshiu, Northwest River and Happy Valley-Goose Bay, or for Labrador East as a whole.

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IN-NLH-233. Re: NLH Amended Application, page 2.70, Table 2.19 and IN-NLH-045, Rev. 1

Preamble:

The RFI requests the breakdown of the Labrador Interconnected load forecast into Lab East and Lab West components. The responses referred to provide forecasts for Happy Valley-Goose Bay, Lab City and Wabush, but not for Sheshatshiu, Northwest River or for Lab East as a whole.

Please break down the load forecasts in Table 2.19, in IN-NLH-005 rev. 1 and in NP-NLH-011 rev. 1, Schedule 3 into their Labrador East and Labrador West components.

IN-NLH-234. Re: CA-NLH-223, Att. 1

Please update the load forecast for Eastern Labrador for 2013-2019 presented in Table 1 on page 7 of 18 of **CA-NLH-223, Att. 1**.

IN-NLH-235. Re: IN-NLH-045, Rev. 1

Preamble: The response indicates that the data provided exclude forecast industrial requirements for expanded iron ore mining.

Please:

- explain why the forecasts exclude forecast industrial requirements for expanded iron ore mining, and
- provide a breakdown of the Labrador East and Labrador West components of the Labrador Interconnected load forecast, including forecast industrial requirements for expanded iron ore mining.

IN-NLH-236. Amended Application p. 2.62, Table 2.15

Please provide the data in Table 2.15 in a table showing total loads for each category in each year.

Please provide a similar table breaking down the annual Total Labrador Interconnected loads into those in Lab East and Lab West.

IN-NLH-237. Amended Application p. 2.62, Table 2.17

1 Please provide the data in Table 2.17 in a table showing total loads for each category in each
2 year.

3

4

5 **CDM**

6 IN-NLH-238. **Re: IN-NLH-010, Rev. 1**

7 Please explain the dramatic reductions in forecast CDM spending in 2015 for the following
8 programs indicated in the following table, and provide the reports, with precise references, in
9 which this information can be found:

Program	2014F	2015F
Residential windows	\$75,660	\$7,745
Isolated Systems Communications	\$625,901	\$0
Isolated Systems Commercial Custom	\$116,145	\$0
“Year-End Balance” (Total)	\$2,375,423	\$695,445

10

11 In addition, please provide descriptions of the two Isolated Systems programs
12 (“Communications” and “Commercial Custom”) and explain why both are discontinued in
13 2015F.

14

15 IN-NLH-239. **Re: Amended Application, p. 2.9, Table 2.2**

16 Preamble:

17 Table 2.2 shows dramatic reductions in Annual Energy Savings from 2013 to 2014(F),
18 including Insulation (794 to 114 MWh), Thermostats (24 to 13 MWh), Block Heater
19 Timer (99 to 73 MWh, down from 227 MWh in 2011), and Isolated Systems Energy
20 Efficiency Program (1,096 to 600 MWh). Industrial Customer annual energy savings fell
21 from 3,172 MWh in 2012 to zero in 2013, and were forecast to increase to 15,000 MWh
22 in 2014.

23 Please:

- 1 • explain why annual energy savings for insulation, thermostats, block heater timers, and
2 the Isolated Systems Energy Efficiency Program decrease substantially from 2013 to
3 2014(F);
- 4 • explain why Industrial Customer annual energy savings fell from 3,172 MWh in 2012 to
5 zero in 2013, and why an increase to 15,000 MWh was forecast in 2014;
- 6 • provide updated (actual) figures for 2014; and
- 7 • provide forecast CDM annual energy savings for each category 2015, 2016 and 2017,
8 supported by references to the current CDM plan.

9
10 **IN-NLH-240. Re: IN-NLH-012, Rev. 1**

11 Preamble: Values in Table 3 (for 2014) are current to Oct. 31, 2014. There is no similar
12 table for 2015.

13 Please provide updated figures for Table 3 (2014) including figures for the full year, as well as
14 forecast figures for the Test Year 2015. If the Isolated Systems Community Energy Efficiency
15 Program ended in 2014, please provide documentation explaining when and why this decision
16 was made.

17

18 **IN-NLH-241. Re: IN-NLH-165, Att. 1**

19 Please provide copies of the 2013 and 2014 CDM Reports.

20

21 **IN-NLH-242. Re: Exhibit 7, p. 4, lines 23-25**

22 Citation:

23 In accordance with Board Order P.U. 7(2008), Hydro and Newfoundland Power will
24 undertake energy conservation initiatives. All expenses associated with this activity in
25 Labrador West are captured in BU 1949 and are excluded from the determination of
26 regulated income.

27 Please:

- 28 • provide a precise citation to the passage in Board Order P.U. 7(2008) to which reference
29 is made, and
- 30 • explain why only the expenses associated with Conservation Demand Management in
31 Labrador West are captured in BU 1949 and are excluded from the determination of
32 regulated income. Are such expenses in Labrador East and in the Labrador Isolated
33 systems regulated expenses?

34

35 **IN-NLH-243. Re: Amended Application, p. 1.20, lines 8-18**

1 **Citation:**

2 The net electricity requirements for isolated diesel systems are projected to increase by
3 16.3 GWh or 26.6% in the 2015 Test Year relative to the 2007 Test Year. The primary
4 driver is the increasing customer load in Labrador, in particular, on the L'Anse au Loup
5 System. The L'Anse au Loup System has experienced strong electricity sales growth
6 following the introduction of lower electricity rates as a result of the interconnection of
7 the L'Anse au Loup System to Hydro Québec's Lac Robertson System. Approximately
8 one half of the homes on the L'Anse au Loup System now have electricity as the main
9 heating source whereas prior to the rate change very few homes were heated by
10 electricity. Given the cost to consumers of heating fuel compared to electricity costs,
11 further conversion to electric heat is anticipated and additional capital expenditures will
12 likely be required.

13
14 Please confirm that the L'Anse au Loup system contributes to the rural deficit, and explain why
15 subsidizing rates that lead to additional conversion to electric heat represent a good policy
16 choice.

17

18 IN-NLH-244. **Re: Exhibit 9 Addendum, p. 20**

19 Citation:

20 While the focus of Hydro's current CDM programs is to achieve fuel oil savings, it is possible
21 that future CDM program measures could focus on peak demand reduction. Also, while the terms
22 of the Labrador in-feed remain uncertain at this time, peak demand might also impose an
23 operational or economic constraint in the future.

24
25 Please explain in what way "the terms of the Labrador in-feed remain uncertain at this time", and
26 describe Hydro's progress in designing CDM measures focused on peak demand reduction.

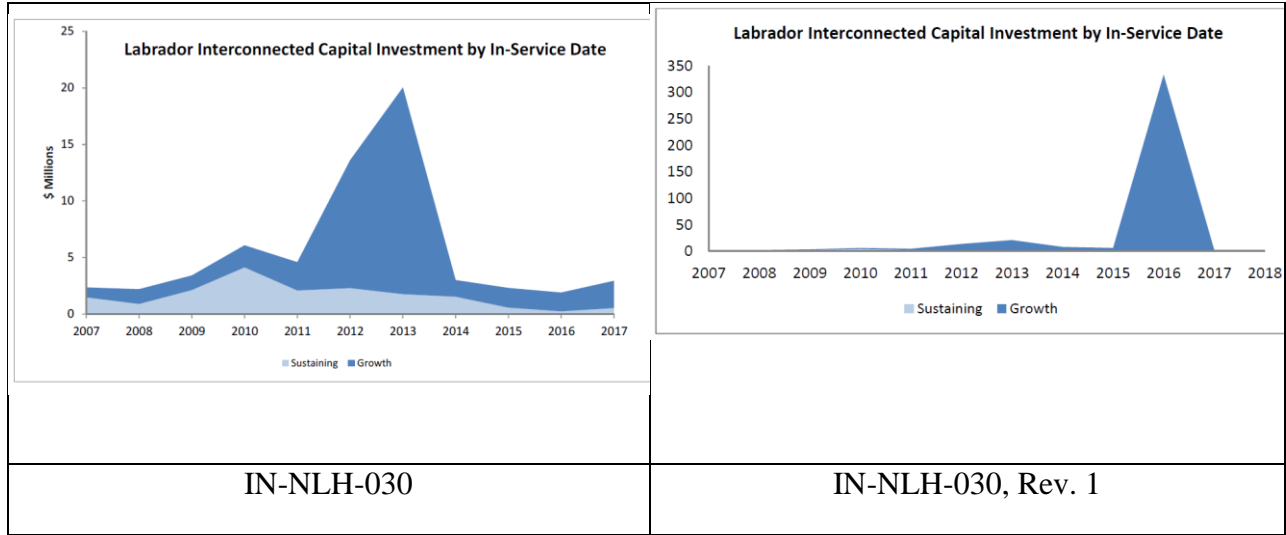
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28 **Investments**

29 IN-NLH-245. **Re: IN-NLH-030 and IN-NLH-030, Rev. 1**

30 Preamble:

1 The graphs for Capital Investment as shown in IN-NLH-030 and in IN-NLH-030, Rev. 1
2 are reproduced below:



3

4 Please clarify:

- 5
- 6 • if the Sustaining investments shown in the original graph are shown in the revised graph;
 - 7 • if the Growth investments of approximately \$15 and \$20 million shown in the original graph for 2012 and 2013, respectively, remain unchanged in the revised graph.

8 Please identify the investments of approximately \$350 million forecast for 2016 shown in the
9 revised graph, and explain why they were not shown in the original graph.

10 Please present the figures represented in both the original and revised versions of this graph in
11 tabular form.

12

13 **IN-NLH-246. Re: IN-NLH-030, Rev. 1 and IN-NLH-032, Rev. 1**

14 Please provide an estimate of the rate impact for the Labrador Interconnected System of the
15 investments of approximately \$350 million expected to be put into service in 2016.

16

17 **IN-NLH-247. Re: IN-NLH-032 and IN-NLH-032, Rev. 1, Charts 1-4**

18 Please present the figures represented in both the original and revised versions of Charts 1-4 in
19 tabular form, and explain any significant differences between the two.

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1 IN-NLH-248. **IN-NLH-033, Att. 1 and IN-NLH-033, Rev. 1, Att. 1**

2 Please explain:

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- why forecast capital expenditures in the revised table for 2016 have almost doubled, compared to the original, and why those for 2017 have increased by approximately 50%;
 - why the transmission investments shown in Line 2 are negative for the years 2014 through 2017;
 - why the Lab West Transmission Line shown in the revised table (line 3) was not found in the original table; and
 - why the Average Change to Rate Base (line 8) for 2016 in the revised table does not include line 7 from the previous year (\$203,249 in 2015, according to the original table).

11

12 IN-NLH-249. **Re: IN-NLH-033 and IN-NLH-033, Rev. 1**

13 Please provide a table similar to those provided in IN-NLH-033, Att. 1 and IN-NLH-033, Rev. 1,
14 Att. 1, including only investment data for the Labrador Interconnected System, for the years
15 2014-2018 inclusive.

16

17 **Lab West**

18 IN-NLH-250. **IN-NLH-046, Att. 1 and IN-NLH-046, Att. 1, Rev. 1**

19 Please explain the following modifications between the original and revised versions of the
20 Attachment:

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- 2016, Labrador Interconnected:
 - Addition of Lab West Transmission Project (\$328 million)
 - Changes to “Purchase Misc Tools and Equipment” — increase of 200%
 - 2017, Labrador Isolated:
 - Addition Load Growth – Lab South Interconnection (\$13.4 million) — deferred from 2016 in original. Please provide details regarding this project;
 - 2018, Labrador Isolated:
 - PHS New Mega Diesel Plant (\$14.8 million), deferred from 2017 in original; Please provide details regarding this project.

30 IN-NLH-251. **IN-NLH-051, Amended Application p. 2.11 (note 3)**

31 Citation: “In October 2014, Cliff Natural Resources announced its plans to officially
32 close Wabush Mines.”

33 Is the statement in IN-LNH-051 that “There has been an increase in domestic and general service
34 load [in Labrador West] as a result of increased economic activity, due to the ramp up of mining
35 activity in the area” still true?

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IN-NLH-252. Re: IN-NLH-186, Att. 1

Citation:

RFI: "... Please explain to what extent and at what level of detail Hydro is able to distinguish between investments in Lab East and Lab West, and present the plant additions on this basis."

Response: "... Assets such as transformers, primary conductor, secondary conductor and pole hardware have not been allocated to a specific location within a system and are therefore classified as unallocated for the purpose of this response. ..."

Please explain to what extent and at what level of detail Hydro is able to distinguish between investments in Lab East and Lab West, and present the plant additions — in particular, for transformers, primary conductor, secondary conductor and pole hardware — on this basis.

IN-NLH-253. Re: Amended Application, p. 2.12, lines 16-19

Citation: "As these assets are critical to providing reliable service to Hydro’s customers, Hydro is in the process of acquiring the rights to these transmission assets either through purchase or leasing arrangements from the three parties involved. The arrangements for either lease or purchase will be in place by the end of 2014."

Please indicate the arrangements in place with respect to the transmission assets in Lab West formerly owned by TwinCo.

Labrador T&D costs

IN-NLH-254. Re: PUB-NLH-84, PUB-NLH-84 rev. 1

Preamble:

The following table shows the changes in Labrador Interconnected Plant in Service for the 2013 Test Year (Original Application) and for the 2015 Test Year (Amended Application):

Function	2013 Test Year	2015 Test Year
Production	25.9	27.0
Transmission		
Distribution Level (46 kV)	11.3	11.7
Transmission Level (above 46 kV)		23.5
Muskrat Falls Construction Power	3.1	
Other Transmission Level	23.5	
Total Transmission	37.9	35.2

Distribution	56.3	69.2
General	13.2	16.6
Total Plant in Service	133.3	147.9
Muskrat Falls Construction Power	(3.1)	
Adjusted Total Plant in Service	130.2	

1
2 Please explain in detail the differences between the figures presented in PUB-NLH-84 for the
3 2013 Test Year and those presented in PUB-NLH-84 Rev. 1 for the 2015 Test Year.

4 In particular, please explain:

- 5 • The increase from \$25.9 to \$27.0 million for Production;
- 6 • Why Muskrat Falls Construction Power (MFCP) has been excluded from the 2015 Test
7 Year;
- 8 • The increase from \$56.3 million to \$69.2 million for Distribution;
- 9 • The increase from \$13.2 million to \$16.6 million for “General”;
- 10 • The increase from \$133.3 million (Total Plant in Service) or from \$130.2 million
11 (Adjusted Total Plant in Service) in Test Year 2013 to \$147.9 million (Total Plant in
12 Service) in Test Year 2015.

13

14 **IN-NLH-255. Re: IN-NLH-186, Att. 1**

15 Please indicate which, if any, of the new distribution assets are related to providing construction
16 power for Muskrat Falls, and their value.

17

18 **IN-NLH-256. Re: CA-NLH-53, PUB-NLH-84, PUB-NLH-297**

19 Preamble:

20 CA-NLH-53 states that the costs associated with the installation of new facilities to
21 provide construction power for Muskrat Falls was budgeted in the Test Year at \$6.1
22 million and would be fully contributed.

23 PUB-NLH-84 states:

24 Please note that the change in spending from 2007 to 2013 is \$41.7 million and
25 not \$39.0 million. The \$39.0 million included the gross additions for 2013 for
26 Muskrat Falls Construction Power of \$6.1 million, rather than the average cost of
27 \$3.1 million. There are no COS impacts because the Muskrat Falls Construction
28 Power is fully contributed.

29

30 The table in PUB-NLH-84 indicates the contribution amount for Muskrat Falls
31 Construction Power as \$3.1 million.

32

1 The Amended Application appears to contain no section analogous to Section 3.7.1.1. “Labrador
2 Interconnected Rate Base” of the Original Application, to which PUB-NLH-084 referred.

3
4 The passage quoted above from PUB-NLH-084 is not found in PUB-NLH-084 Rev. 1.

5
6 In the original version of the response, please explain the distinction between “gross additions”
7 (\$6.1 million) and “average cost” (\$3.1 million) and indicate:

- 8 • if the cost of the work (described in Exhibit 3, p. 3, lines 8-13) is \$3.1 million, or \$6.1
9 million,
- 10 • if Nalcor’s contribution was \$3.1 million, or \$6.1 million, and
- 11 • how the use of average or gross costs explains the divergence between \$39.0 million and
12 \$41.7 million.

13
14 **IN-NLH-257. Re: Amended Application, p. 4.48, lines 5-10**

15 Citation:

16 Hydro has isolated the Labrador Industrial transmission revenue requirement in
17 accordance with the approved Cost of Service functionalization. The transmission costs
18 were classified as 100% demand related, consistent with the approved classification
19 methodology. The transmission demand-related costs were then allocated between
20 Labrador Industrial Customers and Rural customers based on the approved single
21 coincident peak allocation method.

22 Preamble:

23 Table 4.14 shows the Labrador Industrial Allocation to be 63.37%. Note 2 indicates that
24 this figure comes from Exhibit 9, Schedule 3.1E, page 1 or 2, Line 14, Col. 5. This
25 schedule indicates the value of .6337 for IOCC Firm, but does not indicate how it was
26 derived.

27 Please:

- 28 • confirm that the value of .6337 for IOCC Firm was obtained by dividing IOCC Firm
29 demand of 243,000 kW by Total Labrador Interconnected demand of 383,477 kW; and
- 30 • explain why IOCC is the only Labrador industrial customer included in this calculation.

31 Are any other Labrador industrial customers foreseen during the period of application of the rates
32 resulting from this GRA (2015-2017)?

33
34 **Rural deficit**

35 **IN-NLH-258. Re: Amended Application, p. 4.7, note 5, p. 4.10, lines 4-7 and 10-11, and p.**
36 **4.14, lines 20-21**

1 Preamble:

2 The revenue requirement approach to allocating the Rural Deficit is the same one
3 proposed by Hydro in 1993. At that time, the Board rejected this approach, in favour of
4 the one proposed by Mr. Baker.

5 Please elaborate on the factors which have changed since 1993 that could lead the Board to come
6 to a different conclusion that it did at that time.

7

8 **IN-NLH-259. Re: LWHN-NLH-013**

9 In the calculation of “equivalent unweighted customers” in the original application applying the
10 1993 Methodology, NP Total Customer Costs were divided by NP Cost per Rural Customer.
11 Please explain the justification for this approach. Was it prescribed by the Board in 1993? If so,
12 please provide a precise reference.

13

14 **Fuel costs and interest rates**

15 **IN-NLH-260. IN-NLH-062, Rev. 1, page 2**

16 Preamble:

17 The Isolated System Fuel Costs estimates for the Test Year 2015 are very similar to those
18 for 2013.

19 Please provide:

- 20 • The date when these forecasts were made;
21 • The projected crude oil price for 2015 contemporaneous with these forecasts;
22 • A copy of the fuel price forecast document that was relied upon in preparing the
23 Amended Application.

24 Has Hydro revised its fuel price forecasts since Revision 1 was prepared on Nov. 26, 2014? If
25 so, please provide a revised version of this table.

26

27 **IN-NLH-261. Re: Amended Application, p. 1.21 and 1.22, Charts 1.7 and 1.8**

28 Preamble: The projected costs for No. 6 Fuel for the 2015 Test Year is higher than the
29 cost in July 2010, and the projected costs for Diesel Fuel for the 2015 Test Year are
30 higher than the cost in 2013.

1 Please provide:

- 2 • The date when these forecasts were made;
3 • The projected crude oil price for 2015 contemporaneous with these forecasts;
4 • A copy of the fuel price forecast document that was relied upon in preparing the
5 Amended Application.

6 Does Hydro still have confidence in these forecasts? If not, please provide an updated forecast,
7 and indicate the repercussions of any change on other parts of the Amended Application.

8

9 **IN-NLH-262. Re: Amended Application, p. 3.47, Chart 3.9**

10 Please provide an updated version of Chart 3.9 (Diesel Fuel Price Variability).

11

12 **IN-NLH-263. Re: Amended Application, p. 1.23 and 1.24, Charts 1.9 and 1.10**

13 Please provide an updated version of Charts 1.9 and 1.10, taking into account recent actions by
14 the Bank of Canada.

15

16 **Wind power**

17 **IN-NLH-264. Re: Amended Application, p. 4.15, lines 13-14; Exhibit 9, Addendum, p. 2**

18 Citation 1:

19 From a system planning perspective, Hydro no longer assumes that wind generation will
20 be available to supply system capacity requirements.

21

22

23 Citation 2:

24 In addition, Hydro's system planners do not reflect the capacity of wind in capacity
25 planning.

26

27 Upon what studies does Hydro base its conclusion that wind generation will not be available to
28 supply system capacity requirements?

29 Do other Canadian utilities also attribute zero capacity value to wind generation? Please provide
30 references in support of your response.

31

1 **IN-NLH-265. Re: Amended Application, p. 2.5**

2 Citation: “The Province of Newfoundland and Labrador has a world-class wind regime
3 that is being utilized on both the Island Interconnected and Isolated systems.”

4 Preamble: The Amended Application makes reference to two wind projects on the Island
5 Interconnected system, the 27 MW St. Lawrence project and the 27 MW Fermeuse
6 project. It also makes reference to a 390 kW project at Ramea.

7 Are any other wind developments planned within the Hydro systems? If so, where and when? If
8 not, why not?

9

10 **IN-NLH-266. Re: Amended Application, p. 2.10, lines 8-28**

11 Please provide a copy of the most recent report concerning the Ramea project, as well as any
12 other document that assesses the technical and financial suitability of the Wind-Hydrogen-Diesel
13 System for future developments.

14

15 **COS Study**

16 **IN-NLH-267. Re: Exhibit 13, Sched. 1.1, Line 1**

17 Preamble:

18 The Basis of Proration for line 1 in Sched. 1.1 is given as “Detailed Analysis”.

19 Please provide the Detailed Analysis supporting the allocations of “Operations Maintenance and
20 Admin.” among the five systems, found in line 1.

21

22 **IN-NLH-268. Re: NP-NLH-99 (Rev-1 and Rev-2)**

23 Preamble:

24 The RFI requested detailed reasons (and related dollar impacts) for the annual changes in
25 the rural deficit for each of the Provincial electric systems. Information is presented for
26 each of four systems (Island Interconnected, Island Isolated, Labrador Isolated and
27 L’Anse au Loup), but no information is presented for the Labrador Interconnected
28 system.

29

30 NP-NLH-99 rev. 1, Att. 1 provided a Revenue Requirement Variance Analysis for the
31 years 2007 through 2013, for four NLH systems (Island Interconnected, Island Isolated,
32 Labrador Isolated and L’anse au Loup). NP-NLH-99 rev. 2 Att. 1 presents the Rural
33 Deficit Reports for each year 2007 – 2013, but does not include an updated Revenue
34 Requirement Variance Analysis.

1
2 Please provide an updated Revenue Requirement Variance Analysis similar to the one presented
3 in NP-NLH-99 rev. 1, Att. 1, and provide similar data for the Labrador Interconnected system.

4

5 **IN-NLH-269. Re: IN-NLH-186, Att. 1**

6 Preamble:

7 The tables presented as Attachment include two distinct sections numbered 310
8 (Distribution Primary), two distinct sections numbered 340 (Distribution Transformers),
9 and two distinct sections numbered 390 (Poles). In each case, the same identifiers for
10 Units of Property are found in each of the two sections, with different dollar amounts.
11 The first section 310 is identified as “Class – Substations”, but all other sections are
12 identified as “Class – Distribution”.

13 Please explain why there are two distinct sections for class 310, 340 and 390 within the “Class –
14 Distribution”, and explain the distinctions between them.

15

16 **IN-NLH-270. Re: Amended Application, p. 2.32, Table 2.3**

17 Please explain why System Equipment Maintenance expenditures fell by \$0.7 million from 2007
18 to 2014 (3%), while Salaries and Benefits increased by \$19.7 million (33.8%).

19

20 **IN-NLH-271. Re: Amended Application, p. 2.43, Table 2.8**

21 Please explain why System Operations and Planning expenditures grew by only \$0.6 million
22 from 2007 to 2014 (20%), but are expected to grow by \$2.2 million (61.1%) from 2014 to 2015.

23

24 **IN-NLH-272. Re: Amended Application, p. 4.5, lines 11-13**

25 Citation:

26 Upon the in-service of the Labrador-Island Interconnection, payments commence under
27 the Transmission Funding Agreement and Muskrat Falls Power Purchase Agreement
28 (“PPA”) ...

29

30 Please provide copies of the Transmission Funding Agreement and Muskrat Falls Power
31 Purchase Agreement (“PPA”).

32

1 IN-NLH-273. **Re: Amended Application, p. 4.5, lines 19-22**

2 Citation:

3 Because of these changes, Hydro believes it is necessary to have a Cost of Service
4 methodology review process completed prior to the inclusion of costs reflecting the
5 Labrador-Island Interconnection in rates.

6
7 Please indicate when Hydro intends to initiate such a review.

8

9 **Rates**

10 IN-NLH-274. **Re: IN-NLH-108, Rev. 1**

11 Preamble:

12 Hydro has not presented a table similar to that presented in the original version of its
13 response to this RFI, presumably because it does not plan a GRA filing in 2016 or 2017.

14 Please present a table similar to that presented in IN-NLH-108 (original version) presenting
15 projected rate changes for Rural Labrador Interconnected and for Labrador Isolated Systems for
16 2016, 2017 and 2018, if there were to be rate adjustments in those years.

17

18 IN-NLH-275. **Re: Amended Application, p. 4.41, lines 4-10**

19 Citation:

20 Rates for Rural General Service Customers on the isolated systems are normally
21 adjusted by the average rate of change approved for the customers of NP. However, in
22 the Amended Application, the proposed rate increases are higher than that resulting
23 from the proposed wholesale rate for NP. This is because the proposed rates for the
24 2015 Test Year for Domestic and General Service customers on Isolated Diesel Systems
25 reflect the cumulative effect of the 2007 Test Year cost increases and the average retail
26 rate change resulting from the proposed change in the NP wholesale rate.

27 Please provide detailed worksheets showing how “the proposed rates for the 2015 Test Year for
28 Domestic and General Service customers on Isolated Diesel Systems reflect the cumulative
29 effect of the 2007 Test Year cost increases and the average retail rate change resulting from the
30 proposed change in the NP wholesale rate”.

31

1 IN-NLH-276. **Re: Amended Application, p. 4.41, lines 12-20**

2 Citation:

3 The non-lifeline portion of the Domestic energy rate and both small and large general
4 service diesel rates were forecast to increase by 15% in 2007 to reflect the increased
5 cost of fuel since the previous GRA. These rate changes were not implemented as the
6 revenue requirement effects of the cost increases reflected in the 2007 Test Year for
7 Domestic and General Service diesel customers have been offset by Government
8 funding. This funding will cease upon new rates being approved upon conclusion of the
9 current GRA. The rate increase of 7.1% for Domestic Diesel customers and
10 approximately 19% for General Service Diesel customers reflect the cumulative rate
11 impact of the deferred 2007 rate increase and the 2015 proposed rate increase.

12 Please describe in detail the “Government funding” referred to in the Citation. Is it related to the
13 Northern Strategic Plan funding provided to isolated customers?

14

15 **Natuashish**

16 IN-NLH-277. **Re: IN-NLH-124, IN-NLH-194**

17 In IN-NLH-194, Hydro stated:

18 In the context of IN-NLH-124, the term “service area” delineates those areas
19 where Hydro serves customers from those where it does not. For example, in the
20 case of Natuashish, Hydro does not own any of the electrical system and the
21 residents and businesses in that community are not Hydro’s customers. Rather,
22 Hydro provides operations and technical functions to MIFN which does own the
23 electrical system.

24 Does Hydro consider Natuashish to be in Hydro’s service area? Why or why not?

25

26 IN-NLH-278. **Re: IN-NLH-093, IN-NLH-124, IN-NLH-194, IN-NLH-217**

27 Please distinguish between the situation in Natuashish from that in Davis Inlet with respect to its
28 residents and businesses being customers of Hydro with respect to electric service. What was the
29 impact with respect to electric service of Natuashish becoming an *Indian Act* reserve in 2003?

30

31 IN-NLH-279. **Re: IN-NLH-098, IN-NLH-205**

32 In IN-NLH-205, Hydro stated:

33 Hydro prefers to enter into a formal agreement to clarify its contractual rights and
34 obligations with MIFN as to operating the Natuashish electrical system.

1 Does Hydro have any formal agreement with Sheshiatshiu Innu First Nation, or the Federal
2 government, with respect to the operation of the electrical system in Sheshiatshiu? If not, is
3 Hydro engaged in negotiations for reaching such an agreement? If not, does Hydro seek to enter
4 into such an agreement?

5

6 **IN-NLH-280. Re: IN-NLH-097, IN-NLH-205**

7 In IN-NLH-205, Hydro stated:

8 Hydro prefers to enter into a formal agreement to clarify its contractual rights and
9 obligations with MIFN as to operating the Natuashish electrical system.

10 Does Hydro have any formal agreement with Miawpukek First Nation, or the Federal
11 government, with respect to the operation of the electrical system in Conne River? If not, is
12 Hydro engaged in negotiations for reaching such an agreement? If not, does Hydro seek to enter
13 into such an agreement?

14

15 **IN-NLH-281. Re: IN-NLH-015, IN-NLH-069, IN-NLH-084, IN-NLH-096, IN-NLH-173, IN-**
16 **NLH-197, IN-NLH-200**

17 In IN-NLH-015, Hydro stated that it provides Conservation and Demand Management services
18 to Labrador Isolated customers.

19

20 In IN-NLH-069, Hydro stated that it provides the following services to Labrador Isolated
21 customers:

- 22 • Operation and Work Execution
- 23 • Short-Term Planning and Work Scheduling
- 24 • Long-Term Asset Planning
- 25 • Support Services
- 26 • Customer Services
- 27 • Project Execution and Technical Service
- 28 • System Planning
- 29 • Human Resources
- 30 • Inventory Control and Purchasing

31

32

33 With respect to the foregoing sets of services, please indicate which of these services have been
34 provided by Hydro to Natuashish, making reference to the invoices it has submitted to the
35 Mushuau Innu First Nation.

36 With respect to the foregoing sets of services, please detail the extent to which such services
37 have been provided by the Federal government in support of the operation of the electrical
38 system in Natuashish, to the best of Hydro's knowledge.

1 Based on Hydro's experience since the community of Natuashish was electrified, are these
2 services available from or funded by the Federal government? Please answer on a per service
3 basis.

4

5 **IN-NLH-282. Re: IN-NLH-093, IN-NLH-217**

6 With respect to the generation and distribution assets in Davis Inlet that had been included in
7 Hydro's rate base, how were they disposed of or dealt with upon the decommissioning of the
8 facilities there? Please quantify the impact of the decommissioning on Hydro's rate base, and
9 include any applicable documentation filed with the Public Utilities Board detailing this impact.

10

11 **IN-NLH-283. Re: IN-NLH-096, IN-NLH-097**

12 Please provide the following information in relation to the Natuashish electrical system :

- 13 • Diesel generator
14 ○ Number of gensets, and installed capacity of each;
15 ○ Manufacturer and model of each;
16 ○ Number of running hours to date of each;
17 ○ Expected service life;
18 ○ Number of running hours before major overhaul.
19 • Distribution system
20 ○ Peak capacity

21

All of which is respectfully submitted on behalf of the Innu Nation

Dated at the City of Toronto, in the Province of Ontario, this 2nd day of March, 2015

Olthuis Kleer Townshend LLP
Solicitors for Innu Nation

Per: _____

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