newfoundland labrador hydro
a nalcor energy company

Hydro Place. 500 Columbus Drive.
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 f. 709.737.1800
www.nlh.nl.ca

September 23, 2015

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, Newfoundland & Labrador
A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro – 2013 General Rate Application
Requests for Information to Parties Revision

Further to our correspondence of September 15, 2015 please find enclosed revised Requests for Information NLH-IC-013 to NLH-IC-026. Please note the only change made to this document has been shaded for ease of reference as there was a typographical error in the heading.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Tracey L. Pennell
Legal Counsel

TLP/bds

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Thomas J. O'Reilly, Q.C. – Cox & Palmer
Dennis Browne, Q.C. – Browne Fitzgerald Morgan & Avis
Thomas Johnson – Consumer Advocate
Yvonne Jones, MP Labrador
Senwung Luk – Olthuis, Kleer, Townshend LLP
Genevieve M. Dawson – Benson Buffett

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

From Newfoundland and Labrador Hydro

(2013 NLH GRA)

Newfoundland and Labrador Hydro, Applicant

September 15, 2015

Newfoundland and Labrador Hydro ("Hydro") 2013 General Rate Application

Request for Information from Hydro
To Island Industrial Customers

Pre-filed Evidence of Larry Marks

NLH-IC-013 Does Mr. Marks agree that the Corner Brook frequency converter, although owned and maintained by Hydro, functionally serves the same role as Corner Brook Pulp and Paper Limited's (CBPP's) own fleet of 60 Hz generators and represents 18 MW of CBPP's total 60 Hz supply of 99.1 MW used to supply CBPP's mill loads? If not, why not?

NLH-IC-014 (Reference Page 3 Lines 16-18) Does Mr. Marks agree that the functionality of the Corner Brook frequency converter is the same as CBPP's own 60 Hz units at its Deer Lake Plant, in that an outage to one or more of the latter units would also "drive more purchases for CBPP, more load for Hydro, and more Holyrood fuel consumed to serve all loads." If not, please explain why.

NLH-IC-015 (Reference Page 3, Lines 27-28) Please clarify the statement "...the company had been provided guarantees that the converter would be provided permanently at Hydro's **own cost**," (emphasis added).

NLH-IC-016 (Reference Page 4, Lines 16-20) Is it Mr. Marks' understanding that CBPP was made aware of the "significant deficiencies identified in a 2005 internal Hydro report" prior to Hydro embarking on a three year capital plan of expenditures to address such deficiencies? Is it also Mr. Marks' understanding that CBPP was generally aware that, through the mechanisms of the Specifically Assigned Charge (SAC), the proposed expenditure would result in an increase in the CBPP's SAC at the next GRA?

NLH-IC-017 (Reference Page 4 Lines 30-31) Mr. Marks is referencing a "lower operating limit" of the unit. Is Mr. Marks aware of a 1982 Canadian General Electric Company Limited (CGE) study conducted on behalf of Bowater Newfoundland Limited which established an either direction real power transfer limit of 18 MW on the converter at a certain stage of frequency conversion? Furthermore, is Mr. Marks aware that this limit was established to ensure sufficient reactive power availability to maintain stability for certain disturbances on CBPP's 50 Hz power system?

NLH-IC-018 Further to NLH-IC-017 above, is Mr. Marks aware of the timeframe during which the converter was first limited to 18 MW and the reason for such limitation? If the initial limitation was a result of physical issues with the unit please provide all supporting documentation, memos, etc.

NLH-IC-019 Further to NLH-IC-017 above, if CBPP does not operate the converter to a maximum transfer of 18 MW as per the CGE recommendation, please provide all subsequent studies, correspondence, memos, etc., which established that a higher limit was acceptable?

NLH-IC-020 (Reference Page 4, Lines 24-31) Is Mr. Marks aware of whether or not Siemens considered any CBPP's 50 Hz system limitations in specifying a "maximum output of 25 MW"?

NLH-IC-021 Please provide an overview of CBPP's present day 50 Hz power system, in particular the number of units operating and whether improvements have been made to increase reactive power availability and improve transient performance since the release of the 1982 CGE study.

NLH-IC-022 (Reference Page 5 Lines 11-14) Is Mr. Marks aware that in each of the years 2006 to 2008, a Capital Budget Proposal (outlining scope of work and costs) relating to the frequency converter was filed with the Board as a part of Hydro's Capital Budget Application and process? Did CBPP participate in these public processes and, if yes, did CBPP object to any of the proposed expenditures on the frequency converter?

NLH-IC-023 Please confirm that Mr. Marks and his predecessors regular attend the annual *Joint Utilities Meetings* which are jointly hosted, on a rotational basis, by Hydro, Newfoundland Power, and the Industrial Customers. Also is it Mr. Marks' understanding that capital projects that target assets specifically assigned to customers (including the Industrial Customers) are discussed at these meetings?

NLH-IC-024 On page 3, Mr. Marks states: "This machines provides critical service to CBPP and to the power grid overall…". Please detail the critical service benefits provided by the frequency converter to the power grid.

NLH-IC-025 Further to NLH-IC-024 above, if CBPP utilizes the frequency converter to provide benefits to the power grid, is CBPP compensated whether in the form of monetary compensation or by way of generation credit for supplying these benefits to the power grid?

NLH-IC-026 Has Siemens reviewed the 1982 CGE report? If yes, does Siemens consider the CGE recommendation still valid for an 18 MW capacity limit?