

POOLE ALTHOUSE

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June 15, 2015

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 Amended General Rate Application
- Requests for Information of:

- 1) Pre-filed Evidence of Mr. Melvin Dean (June 4, 2015)**
IC-V-02;
- 2) Pre-filed Evidence of Dr. J.W. Wilson (June 1, 2015)**
- IC-PUB-19 to IC-PUB-20
- 3) Pre-filed Evidence of Mr. C. Douglas Bowman (June 1, 2015)**
- IC-CA-07 to IC-CA-13

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 Pre-filed Evidence.

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

We trust you find the foregoing satisfactory.

Yours very truly,

POOLE ALTHOUSE

Dean A. Porter

1 **IN THE MATTER OF** THE PUBLIC
2 UTILITIES ACT, RSNL 1990, CHAPTER P-47
3 (THE ACT),
4

5
6 **AND**
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8
9 **IN THE MATTER OF** A GENERAL RATE APPLICATION
10 (THE "AMENDED APPLICATION") BY NEWFOUNDLAND
11 AND LABRADOR HYDRO FOR APPROVALS OF, UNDER
12 SECTIONS 70 AND 75 OF THE ACT, CHANGES IN THE
13 RATES TO BE CHARGED FOR THE SUPPLY OF POWER
14 AND ENERGY TO NEWFOUNDLAND POWER, RURAL
15 CUSTOMERS AND INDUSTRIAL CUSTOMERS; AND
16 UNDER SECTION 71 OF THE ACT, CHANGES IN THE
17 RULES AND REGULATIONS APPLICABLE TO THE
18 SUPPLY OF ELECTRICITY TO RURAL CUSTOMERS.
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27 **ISLAND INDUSTRIAL CUSTOMERS GROUP**
28 **REQUESTS FOR INFORMATION**
29 **IC-V-02**
30 **Issued June 15, 2015**
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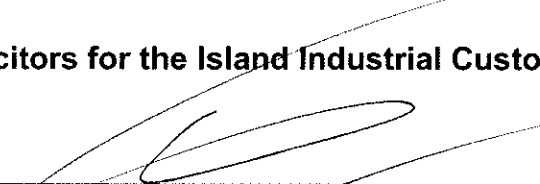
1 IC-V-02 RE: Pre-filed Evidence of Mr. Melvin Dean (June 4th, 2015), page 4: Mr.
 2 M. Dean indicates that the “prorating of O&M costs using plant in service
 3 without accounting for the time value of money has the potential to
 4 achieve inequitable results”. Is it Mr. M. Dean’s contention that prorating
 5 of O&M costs in a manner that accounts for the time value of money is
 6 automatically a complete solution to solve inequitable results? If not, does
 7 Mr. M. Dean agree that any such prorating approach (regardless as to its
 8 treatment of the time value of money) still has to pass a “reasonableness”
 9 test in light of Hydro’s expected expenses for the asset in question?

All of which is respectfully submitted on behalf of the Island Industrial Customers.

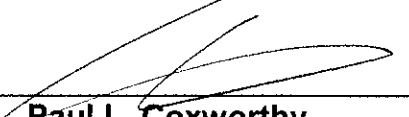
DATED at the City of Corner Brook, in the Province of Newfoundland and Labrador, this 15th day of June, 2015.

POOLE ALTHOUSE / STEWART MCKELVEY

Solicitors for the Island Industrial Customers

Per: 

Dean A. Porter

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

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

- TO: Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6
Attention: Gerard Hayes,
Senior Legal Counsel
- TO: Vale Newfoundland and Labrador Limited
c/o Cox & Palmer
Suite 1000, Scotia Centre
235 Water Street
St. John's, NL A1C 1B6
Attention: Thomas J. O'Reilly, Q.C.
- TO: Corner Brook Pulp & Paper Limited
c/o Stewart McKelvey
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
Attention: Paul Coxworthy
- TO: O'Dea Earle
323 Duckworth Street
P.O. Box 5955
St. John's, NL A1C 5X4
Attention: Mr. Thomas Johnson
- TO: Olthuis, Leer, Townshend LLP
229 College Street
Suite 312
Toronto, ON M5T 1R4
Attention: Senwung Luk
- TO: Genevieve M. Dawson
Benson Buffett
9th Floor, Atlantic Place
215 Water Street
P.O. Box 1538
St. John's, NL A1C 5N8

DAP/lp

Enclosures

J:\Clients\4648-13\Blundon ltr 5.doc

cc: Mr. Geoffrey P. Young, Senior Legal Counsel, Newfoundland and Labrador Hydro
Mr. Thomas J. Johnson, Consumer Advocate
Mr. Gerard Hayes, Newfoundland Power
Mr. Paul Coxworthy, Stewart McKelvey
Mr. Thomas J. O'Reilly, Q.C., Vale Newfoundland and Labrador Limited
Ms. Nancy Kleer, Olthuis, Kleer, Townshend LLP
Mr. Ed Hearn, Q.C., Miller & Hearn
Ms. Yvonne Jones, MP, House of Commons
Mr. Dennis Browne, Q.C., Browne Fitzgerald Morgan & Avis
Ms. Genevieve Dawson

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28 **REQUESTS FOR INFORMATION**
29 **IC-PUB-19 to IC-PUB-20**
30 **Issued June 15th, 2015**
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1 IC-PUB-19 Re: Pre-filed Testimony on Dr. J.W. Wilson (June 1, 2015), page 20: Dr.
2 J.W. Wilson asserts that “industrial CDM has been negligible”. How
3 does this statement correlate with the evidence provided in Hydro’s
4 response to IN-NLH-294 that new IC CDM of about 22 GW.h
5 comes on line in 2014, in addition to over 3 GW.h to date, which
6 makes up the majority of Hydro’s CDM activities (about 76% of the
7 total of Hydro’s CDM Energy Savings for 2014 are forecasted to be
8 from industrial customers, increasing to 80% in 2015 Test Year and
9 between 74% and 83% for 2016-2019 years)?
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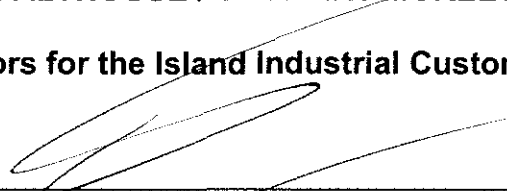
11 IC-PUB 20 RE: Pre-filed Testimony of Dr. J.W. Wilson (June 1, 2015), page 22: Dr.
12 J.W. Wilson asserts that “...it could very well be the case that even with
13 the Labrador interconnection on line, the long-run marginal cost of
14 Labrador energy will still be greater than Hydro’s marginal cost at
15 Holyrood” as “... a large portion of the cost of Labrador purchased power
16 costs, and the capital cost of the interconnection as well, will logically
17 have to be considered an energy cost rather than a capacity cost.” How
18 does Dr. Wilson conclude that sunk capital costs form a component of
19 marginal costs? If the costs do not vary in relation to use (e.g., capital
20 costs that are already spent), how are the costs to be considered to be on
21 the margin?

All of which is respectfully submitted on behalf of the Island Industrial Customers.


DATED at the City of Corner Brook, in the Province of Newfoundland and Labrador, this 15th day of June, 2015.

POOLE ALTHOUSE / STEWART MCKELVEY

Solicitors for the Island Industrial Customers

Per: 

Dean A. Porter

Per: 

Paul L. Coxworthy

TO: The Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
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TO: Newfoundland & Labrador Hydro
P.O. Box 12400
500 Columbus Drive
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Attention: Geoffrey P. Young
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TO: Newfoundland Power Inc.
P.O. Box 8910
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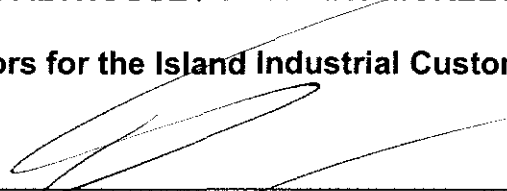
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