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June 15, 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

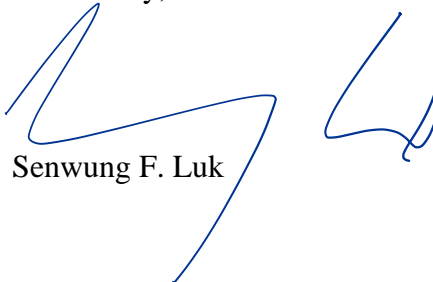
Dear Ms Blundon:

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, numbered IN-CA-001, IN-PUB-004, IN-NG-001 to IN-NG-002, IN-NP-001 to IN-NP-00, inclusive, 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:

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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-CA-001, IN-PUB-004, IN-NG-001 to IN-NG-002, IN-NP-001 to IN-NP-005

June 15, 2015

1 **IN-CA-001**

2 Preamble:

3 [Pre-filed evidence of C. Douglas Bowman, June 1, 2015, page 32]

4 In section 12h), entitled, “Board’s Position on Payment of Rural Deficit”, Mr Bowman quotes the Board
5 as stating:

6 Under these circumstances, the only effective means of implementing the provincial power policy
7 is to transfer some or all of the rural deficit to NLH or its shareholder, Government

8 The quotation from the reference source (PUB-NLH-339, att. 1, p. 10-11) continues:

9 The Board notes that a number of witnesses supported social policies being reflected as a cost to
10 Government with the proposed options varying from adjusting shareholder return to recovering
11 this cost through appropriate taxation. The Board is not inclined to adjust NLH’s regulated 3%
12 ROE in this Application and is of the view that taxation is a prerogative of Government beyond
13 the control of this Board. The Board feels strongly, however, that discussions involving NLH and
14 Government around future funding options for the rural deficit should constitute part of the
15 evidentiary record.”

16 On page 33 of his pre-filed evidence, Mr Bowman states:

17 “In summary, the rural rate deficit has become a significant burden. It results in unreasonable and
18 discriminatory rates for the subsidizing customers. Now that Hydro has mandated ROE
19 commensurate with that of NP, I recommend that the Board consider directing a portion of
20 Hydro's return toward payment of the rural subsidy, a subsidy mandated by Government, Hydro's
21 shareholder.”

22 Q. Is Mr Bowman’s recommendation at page 33 of his pre-filed evidence consistent with OC2009-063?
23 Why or why not?

24

1 **IN-PUB-004**

2 Preamble: [Pre-filed Evidence of John Wilson, June 1, 2015]

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4 At pages 40-41 of his pre-filed evidence, Mr Wilson states:

5

6 In the original GRA in this case, Hydro proposed to fully apply the CFB Goose Bay revenue
7 credit directly to the rural deficit. According to Hydro, that would mean that the Rural Rate
8 Alteration calculation (Rural Labrador Interconnected Automatic Rate Adjustment) related to the
9 Labrador Interconnected system would be removed from the RSP. In the Amended GRA filing
10 Hydro again fully applies the CFB Revenue Credit to the Rural Deficit in the updated cost of
11 service, just as it was applied in the original GRA cost of service. See Updated Exhibit 13,
12 Schedule 1.2, page 1 of 6 at line 13.

13 This treatment of the CFB Goose Bay secondary sales revenue credit benefits NP. Before 2004,
14 the credit was used to offset the Labrador Revenue requirement. From 2004 through 2006 the
15 credit was partially used to offset the Labrador Interconnected system's share of the rural deficit
16 subsidy and partially to phase in uniform rates for customers on the Labrador Interconnected
17 System. As noted above, in 2007 the credit was partially used to maintain existing (2006) rates
18 paid by Customers on the Labrador Interconnected system and the remainder was applied directly
19 to the rural deficit balance. In subsequent years the credit continued to be partially used to phase-
20 in uniform rates, based on the 2007 test year revenue requirement, for all Rural customers on the
21 Labrador Interconnected system by 2011, with the balance being directly applied to the rural
22 deficit. The cost of service study provided with the Amended GRA filing applies the full CFB
23 Goose Bay revenue credit directly to the rural deficit burden, so that a large portion of the benefit
24 of that credit (88.7%) goes to NP. This is so because the rural deficit burden is allocated between
25 NP and the Labrador Interconnected system in proportion to energy consumption on each system.

26

27 Q: In Mr Wilson's view, is this treatment of the CFB revenue credit equitable to Labrador
28 customers? Why or why not?

29

30

31

32

1 **IN-NG-001**

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3 Preamble: [Pre-filed evidence of Chris Henderson, June 1, 2015]

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5 At page 8 of Mr Henderson's pre-filed evidence, he states:

6

7

3. The deferred rate increase from 2006 should be considered as having been addressed by provincial government, and not be a part of any consideration of rate increases in 2016 and into the future.

8

9 Q: Please explain in detail Mr Henderson's reasons for considering that the deferred rate increase
10 from 2006 has been addressed by the provincial government.

11

12

13 **IN-NG-002**

14

15 Preamble: At page 8 of his pre-filed evidence, Mr Henderson recommends:

16

4. Newfoundland and Labrador Hydro in collaboration with the provincial government be directed to work with the Nunatsiavut Government on the design and development of a Pay-As-You-Save (PAYS) energy efficiency program for the region; for implementation in 2017. Such a program, pioneered by utilities in other jurisdictions (e.g. Manitoba) has proven to be effective in reducing energy consumption focusing on building systems, large electricity-consuming equipment and advanced lighting (e.g. LEDs). These actions will reduce pressures on existing diesel systems for isolated communities, including diesel fuel demand/costs.

17

18 Q: Please describe in detail the PAYS system, and explain how it could be applied in
19 Newfoundland and Labrador.

20

21

1 **IN-NP-001**

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3 Preamble: [Pre-filed evidence of Mr Larry Brockman, June 1, 2015]

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5 At page 3 of his pre-filed evidence, Mr Brockman states:

6

7 In my view, the Labrador-Island Interconnection will dramatically alter the current view of the
8 Labrador Interconnected System as a separate system isolated from the Island. The likely
9 outcome is that the Labrador Interconnected System will be viewed as part of the overall
10 interconnected system of the province. This could have a dramatic effect on rate design and cost
11 allocations. Given that possibility, I think it is unwise to make major changes to allocations and
12 rate design at this time.

13 Q: When, in Mr Brockman's view, should the determination be made as to whether or not the Labrador
14 Interconnected System should be viewed as part of the overall interconnected system of the province,
15 after the "Labrador-Island Interconnection" is completed? What process should be used to make such a
16 determination?

17

18 **IN-NP-002**

19 Preamble: At page 16 of his pre-field evidence, Mr Brockman states:

20 In the past, the Labrador Interconnected customers have enjoyed rates nearly half of those paid by
21 Newfoundland Power, because their power supply was isolated from the Island system, and it was
22 largely hydraulic. Once the Labrador Interconnection is complete, the Labrador Interconnected
23 System will no longer be electrically separate from the Island. When that occurs, all of Hydro's
24 interconnected customers will be part of a single system. Under that scenario, it is conceivable
25 that all interconnected customers would pay uniform rates.

26 Q: In Mr Brockman's view, after the "Labrador Interconnection" is complete, will the power supply on
27 the Island be indistinguishable from that in Labrador? Please explain.

28

29 **IN-NP-003**

30 Q: In Mr Brockman's view, after the "Labrador Interconnection" is complete, will power from Muskrat
31 Falls be used to serve loads in Labrador? Please explain.

32

33 **IN-NP-004**

34 Q: In Mr Brockman's view, was the Muskrat Falls Generating Station developed to meet additional
35 power needs in Labrador?

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1 **IN-NP-005**

2 Preamble: At page 16 of his pre-filed evidence, Mr Brockman states:

3 Hydro's proposal to change the Rural Deficit allocation may be taking the Labrador
4 Interconnected rates in the wrong direction.

5 Q: Is it Mr Brockman's view that the Board should base its decision in the Amended GRA on future
6 decisions that it may, or may not, make? If so, please provide examples of regulators in Newfoundland
7 and Labrador or elsewhere that have followed this approach.

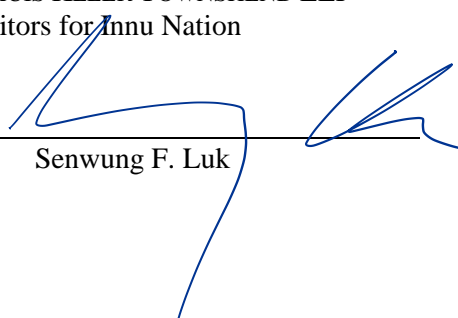
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All of which is respectfully submitted on behalf of the Innu Nation

Dated at the City of Toronto, in the Province of Ontario, this 15th day of June, 2015

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Solicitors for Innu Nation

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