

November 28, 2013

VIA XPRESSPOST and ELECTRONIC MAIL

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 & Board Secretary

Dear Ms. Blundon:

Re: RIF by the Towns of Labrador, Wabush, Happy Valley-Goose Bay, North
West River (LWHN)
Additional RFI's (67-75)

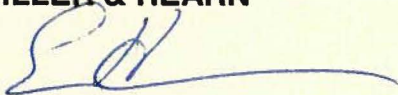
Enclosed are the original and twelve (12) copies of Request for Information by the Towns of Labrador, Wabush, Happy Valley-Goose Bay, North West River (LWHN).

We have provided a copy of this correspondence to all concerned parties.

We trust you will find the enclosed satisfactory.

Yours truly,

MILLER & HEARN



Edward M. Hearn, Q.C.
EMH/cc
Enclosure:

November 28, 2013

Newfoundland & Labrador Hydro
Hydro Place
500 Columbus Drive
St. John's, NL A1V 4K7
Attention: Mr. Colin Feltham

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

Newfoundland Power Inc.
5 Kenmount Road
St. John's, NL A1B 3P6
Attention: Mr. Peter Alteen

Curtis Dawe
11th Floor, Fortis Building
139 Water Street
St. John's, NL A1C 5J9
Attention: Liam O'Brien

Thomas J. Johnson, Consumer Advocate
O'Dea, Earle
323 Duckworth Street
P.O. Box 5955, Stn. C
St. John's, NL A1C 5X4

Praxair Canada Inc.
1 City Centre Drive
Mississauga, ON L5B 1M2
Attention: Mr. David Meade

Praxair Canada Inc.
1 City Centre Drive, Suite 1200
Mississauga, ON L5B 1M2
Attention: Sheryl Nisenbaum,
Assistant Secretary

November 28, 2013

Corner Brook Pulp and Paper Limited,
North Atlantic Refining Limited
And Teck Resources Limited
Stewart McKelvey
P.O. Box 5038
11th Floor, Cabot Place
100 New Gower Street
St. John's, NL A1C 5V3
Attention: Paul Coxworthy

Poole Althouse
Western Trust Building
49-51 Park Street
Corner Brook, NL A2H 2X1
Attention: Dean A. Porter

Miller & Hearn
450 Avalon Drive
P.O. Box 129
Labrador City, NL A2V 2K3
Attention: Edward M. Hearn, Q.C.

Olthuis, Leer, Townshend LLP
229 College Street
Suite 312
Toronto, ON M5T 1R4
Attention: Nancy Kleer

Olthuis, Leer, Townshend LLP
229 College Street
Suite 312
Toronto, ON M5T 1R4
Attention: Stephanie Kearns

House of Commons
Confederation Building
Room 682
Ottawa, ON K1A 0A6
Attention: Yvonne Jones, MP Labrador

**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 by the
Towns of Labrador, Wabush,
Happy Valley-Goose Bay, North West River (LWHN)**

6 7 - 7 5

Issued: November 28, 2013

1 LWHN – NLH – 67 – Re:

2 http://www.alderonironore.com/_resources/financials/ADVFSMDA2013Q3.pdf

3 , p.7. Alderon Iron Ore Corporation, in its 2013 third quarter financial
4 statement, has stated that Nalcor will provide power directly to the Kami site's
5 main substation by means of a 315 kV transmission line. (a) Please confirm
6 the accuracy of this statement, (b) what will the transmission line and related
7 infrastructure cost? and (c) explain whether any of that cost will be borne by
8 ratepayers of the Labrador Interconnected System.

9
10 LWHN – NLH – 68 - Re:

11 http://www.alderonironore.com/_resources/financials/ADVFSMDA2013Q3.pdf

12 , p.12. Alderon Iron Ore Corporation, in its 2013 third quarter financial
13 statement, has stated the following:

14
15 "Alderon presented Nalcor with its anticipated annual requirements of
16 between 60 megawatts ("MW") and 70MW of power for its operations,
17 assuming that the Kami Project reaches commercial production. Nalcor has
18 confirmed that it will supply power to Alderon's Kami Project, subject to
19 certain conditions, which include the completion of necessary engineering
20 and design work for power infrastructure, the conclusion of a comprehensive
21 power purchase agreement ("PPA") and the receipt of any required
22 environmental or other regulatory approvals for power infrastructure.
23 Commercial discussions commenced during Stage III of the process, and a
24 formal PPA is currently being negotiated between Alderon and Nalcor, subject

25 to environmental and regulatory approvals. The commercial terms and rates
26 for power, transmission and other infrastructure costs will be governed by a
27 Labrador Industrial Rates Policy Framework.”

- 28
- 29 a) Will this 60MW to 70MW of capacity be met by drawing on the 300MW of
30 recall capacity?
- 31 b) Please clarify whether it will be Nalcor or NL Hydro or some other Nalcor
32 subsidiary that will be providing this power to Alderon.
- 33 c) Please confirm that a PPA is being negotiated as stated above.
- 34 d) Will any of the earnings from a PPA be earmarked for the benefit of the
35 Labrador Interconnected System's infrastructure?
- 36

37 LWHN – NLH – 68 According to the provincial government's publication "Labrador
38 Mining and Power: How Much and Where From?" p.17, Twinco power is
39 currently sold to IOCC and Wabush mining operations in Labrador West for
40 less than \$5 per MW hour. (a) Please confirm this "less than \$5 per MW
41 hour" figure and (b) please confirm that once the Twinco lease expires in at
42 the end of 2014, NL Hydro will have access to Twinco power at no more than
43 this price and will sell it at approximately \$45 per MW hour by 2020 in
44 accordance with the Labrador Industrial Rate Policy as set by the provincial
45 government.

46

47 LWHN – NLH – 69 According to the provincial government's Energy Efficiency
48 Action Plan 2011,p.3, one objective is:

49 "Pursue the Conference of New England Governors and Eastern Canadian
50 Premiers target of reducing energy consumption by 20 per cent by 2020 from
51 business-as-usual projections."
52

53 Has NL Hydro adopted this objective and how successful has it been to date
54 in reducing electricity consumption consistent with a 20% reduction by 2020?
55 In particular, what actions has it taken to achieve this target for the Labrador
56 Interconnected System? Has NL Hydro assessed whether those actions
57 achieve the objective?
58

59 LWHN – NLH - 70 Regarding the formula for the allocation of the rural deficit, please
60 confirm that the figures for the Labrador Interconnected System's coincident
61 peak and energy exclude the demand and energy of the unregulated
62 customers.
63

64 LWHN – NLH – 71 Does any spill occur at the CFLCo Churchill Falls plant and does
65 this affect NL Hydro's access to its 300 MW of recall power?
66

67 LWHN – NLH – 72 Please provide a table showing from 2000 to 2013, the annual
68 energy (in MW hours) corresponding to NL Hydro's 300MW of recall power
69 and that energy's distribution among: exports, unregulated sales, regulated
70 sales, and amount unsold.
71

72 LWHN – NLH – 73 When the Churchill Falls Contract between Hydro-Quebec and
73 CFLCo is renewed in 2016, will there be an increase in access to Churchill

74 Falls power by NL Hydro beyond the existing 300MW of recall power? If so,
75 how much extra capacity and energy will be available and will there be any
76 benefit to customers on the Labrador Interconnected System?

77

78 LWHN – NLH – 74 Re: Response to LWHN-NLH-044. Please update Table 1 of
79 the response to include the month of November. Does NL Hydro still
80 anticipate \$200.3 million in fuel expenses and consumption of more than 1.84
81 million barrels of fuel at Holyrood in 2013?

82

83 LWHN – NLH – 75 If Alderon is provided with its anticipated annual power
84 requirements for the Kami Project, what additional power is available to meet
85 the future needs of other customers in Labrador West, such as IOCC
86 Expansion and at what cost.

DATED at Labrador City, Newfoundland and Labrador this 28th day of
November, 2013.

Edward M. Hearn, Q.C.

A handwritten signature in blue ink, appearing to read "Edward M. Hearn", is written over a solid black horizontal line. The signature is cursive and stylized.