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January 15, 2014

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**Via Electronic Mail and 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 - Application for approval of a capital project  
for the installation of diesel units at Holyrood for the purposes of blackstarting the  
generating units, and for the deferral of lease costs**

Please find enclosed the original and eight (8) copies of the Requests for Information IC-NLH-1 to IC-NLH-15 of the Island Industrial Customers, Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited, in the above Application.

We trust you will find the enclosed to be in order.

Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/kmcd

Enclosure

- c. Geoffrey P. Young, Senior Legal Counsel, Newfoundland and Labrador Hydro
- Thomas J. Johnson, Consumer Advocate
- Gerard Hayes, Newfoundland Power
- Dean A. Porter, Poole Althouse
- Thomas O'Reilly, Q.C., Vale Newfoundland and Labrador Limited

**IN THE MATTER OF** the *Electrical Power Control Act*, R.S.N.L. 1994, Chapter E-5.1 (the EPCA) and the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47 (the Act) and regulations thereunder;

**AND IN THE MATTER OF** an Application by Newfoundland and Labrador Hydro (Hydro) for the approval, pursuant to Subsection 41(3) of the *Act* of infrastructure required for the installation of diesel units at Holyrood for the purpose of blackstarting the generating units, and pursuant to Sections 49, 78 and 80 of the *Act*, for the deferral of lease costs relating to the diesel units required for blackstart purposes.

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**ISLAND INDUSTRIAL CUSTOMERS  
REQUESTS FOR INFORMATION  
IC-NLH-1 TO IC-NLH-15**

**Issued: January 15 , 2014**

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1 Application until late 2015, on the one hand, and Hydro having  
2 applied in its 2014 Capital Budget application, and obtained  
3 approval, for the installation of a new combustion turbine at  
4 Holyrood (60 MW, as identified by Hydro's August 5, 2013  
5 correspondence to the Board), for operational status in late 2014  
6 (instead of late 2015, as apparently planned by Hydro, and thereby  
7 reducing by one year the need for the diesel units), on the other  
8 hand.

9 **IC-NLH-4** What changes does Hydro plan to implement, or does Hydro  
10 project, in relation to the maintenance and operation of the  
11 Hardwoods gas turbine facility, once the installation of a new  
12 combustion turbine at Holyrood (or at another site, as the case may  
13 be) is completed? Would the changes, and the cost consequences  
14 of those changes, be the same if the new combustion turbine at  
15 Holyrood (or at another site, as the case may be) had achieved  
16 operational status in late 2014 instead of late 2015?

17 **IC-NLH-5** What changes does Hydro plan to implement, or does Hydro  
18 project, in relation to the maintenance and operation of generation  
19 facilities other than the Hardwood gas turbine, once the installation  
20 of a new combustion turbine at Holyrood (or at another site, as the  
21 case may be) is completed? Would the changes, and the cost  
22 consequences of thoses changes, be the same if the new  
23 combustion turbine at Holyrood (or at another site, as the case may  
24 be) had achieved operational status in late 2014 instead of late  
25 2015?

26 **IC-NLH-6** With reference to IC-NLH-3, IC-NLH-4, and IC-NLH-5, provide a  
27 detailed comparison of the present and future rate impacts for  
28 Hydro's customers (as determined by what rates would be applied  
29 for by Hydro, and assuming the applied for rates were approved by  
30 the Board) of having proceeded with installation of a new  
31 combustion turbine at Holyrood for operational status in late 2014  
32 (including any associated changes in the operation of the  
33 Hardwoods gas turbine facility per IC-NLH-4 and of other  
34 generation facilities per IC-NLH-5), on the one hand, as compared  
35 to the lease, installation, maintenance and use of the diesel units  
36 which are the subject of the present Application until late 2015 and  
37 the installation of a new combustion turbine for operational status in  
38 late 2015, on the other hand.

39 **IC-NLH-7** With reference to pages 7 and 8 of the Holyrood Black Start  
40 Analysis, as filed by Hydro with the Board and enclosed with the  
41 Board's November 25, 2013 correspondence to the parties, has  
42 Hydro further reviewed the Variable Frequency Drives (VFD)  
43 option, to determine whether its implementation would reduce the

1 time period over which the diesel units need to be leased and  
2 reduce the overall costs (capital and operational) of an interim black  
3 start solution until such time as a new combustion turbine is  
4 installed at Holyrood (or at another site, as the case may be)?

5 **IC-NLH-8** Does it remain Hydro's plan to install a new combustion turbine at  
6 the Holyrood site (or at another site), to be operational by late  
7 2015? By when would Hydro have to file an application with the  
8 Board for approval of such a project, to assure reasonable timelines  
9 for its completion, in an operational state, by late 2015? If it is not  
10 Hydro's current plan to install a new combustion turbine at the  
11 Holyrood site (or at another site), to be operational by late 2015,  
12 what is the new projected operational date for such a new  
13 combustion turbine?

14 **IC-NLH-9** If required to do so, what is the earliest possible date by which  
15 Hydro could file with the Board an application to install a new  
16 combustion turbine at the Holyrood site (or at another site)? If such  
17 application was filed, within what time period (months) could such a  
18 project be completed, measured from the date of approval of such  
19 project by the Board?

20 **IC-NLH-10** Provide copies of all opinions, reviews, reports, studies and  
21 assessments commissioned or obtained by Hydro internally, or  
22 commissioned or obtained by Hydro from external sources, which  
23 address or discuss, in any respect, Hydro's capabilities for black  
24 starting the Holyrood generating units.

25 **IC-NLH-11** Provide copies of all opinions, reviews, reports, studies and  
26 assessments commissioned or obtained by Hydro internally, or  
27 commissioned or obtained by Hydro from external sources, which  
28 address or discuss, in any respect, the Variable Frequency Drives  
29 (VFD) option for assuring or enhancing black start capabilities at  
30 the Holyrood generation station.

31 **IC-NLH-12** Provide copies of all opinions, reviews, reports, studies and  
32 assessments commissioned or obtained by Hydro internally, or  
33 commissioned or obtained by Hydro from external sources, which  
34 address or discuss, in any respect, the overhaul of the Holyrood  
35 gas turbine, originally proposed in the 2011 Capital Budget  
36 application.

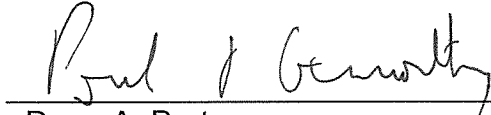
37 **IC-NLH-13** Provide copies of all opinions, reviews, reports, studies and  
38 assessments commissioned or obtained by Hydro internally, or  
39 commissioned or obtained by Hydro from external sources, which  
40 address or discuss, in any respect, the installation of a new  
41 combustion turbine at the Holyrood site (or at another site).

1 **IC-NLH-14** Provide copies of all opinions, reviews, reports, studies and  
2 assessments commissioned or obtained by Hydro internally, or  
3 commissioned or obtained by Hydro from external sources, which  
4 address or discuss, in any respect, any option for assuring or  
5 enhancing black start capabilities at the Holyrood generation  
6 station.


7 **IC-NLH-15** At paragraph 10 of Hydro's Application, Hydro states that if the  
8 lease costs for the diesel unit lease solution are expensed in the  
9 year they are incurred, those costs would cause an undue impact  
10 on Hydro's return. Provide a detailed explanation as to how the  
11 impact would be "undue" as compared to Hydro's annual returns  
12 since the last general rate application.

**DATED** at St. John's, in the Province of Newfoundland and Labrador, this 15<sup>th</sup> day of January, 2014.

**POOLE ALTHOUSE**

Per:   
Dean A. Porter

**STEWART MCKELVEY**

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  
Attention: Board Secretary
- 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: Thomas Johnson, Consumer Advocate  
O'Dea, Earle Law Offices  
323 Duckworth Street  
St. John's, NL A1C 5X4
- TO: Newfoundland Power Inc.  
P.O. Box 8910  
55 Kenmount Road  
St. John's, NL A1B 3P6  
Attention: Gerard Hayes,  
Senior Legal Counsel
- TO: Cox & Palmer  
Scotia Centre, Suite 1000  
235 Water Street  
St. John's, NL A1C 1B6  
Attention: Thomas J. O'Reilly Q.C.