



January 4, 2012

**Via email  
& Courier**

Nalcor Energy  
Hydro Place, Columbus Drive  
St. John's, NL A1B 4K7

**Attention: Mr. Gilbert Bennett, P. Eng., Vice President, Lower Churchill Project**


Dear Mr. Bennett:

**Re: Muskrat Falls Review**  
**Re: Requests for Information CA/KPR-100 to CA/KPR-115**

In relation to the above captioned, please find enclosed Requests for Information numbered CA/KNP-100 to CA/KPR 115. These questions have been provided to me by interested individuals/consumers to ask of Nalcor. Please note that one original and ten copies of this document have been filed with the PUB as of today's date. As I did with a similar batch of questions filed on December 7, 2011, I have assigned a "CA/KPR" designation and number to each question but I have commenced each question with the words "Consumer Question".

We trust the foregoing is found to be in order.

Yours very truly,

  
O'DEA & EARLE  
THOMAS JOHNSON  
TJ/cel  
Encl.

cc: Public Utilities Board  
Attention: G. Cheryl Blundon, Board Secretary

Thomas O'Reilly, Q.C./  
Denis Fleming  
Solicitors for Nalcor

**Reference from the Lieutenant-governor in Council  
On the Muskrat Falls Project  
(the “Muskrat Falls Review”)  
REQUESTS FOR INFORMATION**

1 CA/KPR-Nalcor-100 Consumer Question: There is considerable potential in Labrador West  
2 for iron ore production that could provide large positive economic benefits  
3 for the Province. Has Nalcor assessed the power demand from these  
4 potential iron producers in Labrador West?

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6 CA/KPR-Nalcor-101 Consumer Question: Hydro is proposing a new transmission line (TL)  
7 from Bay d’Espoir to the Avalon at a cost of \$209 Million which would  
8 increase the firm capacity by 275 MW (see p. 24 – Hydro report –  
9 Upgrade Transmission Line Corridor – Bay d’Espoir to Western Avalon).  
10 If 275 MW is available for the cost of a new \$209 Million TL, is major new  
11 power generation urgently required or can the decision be delayed?

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13 CA/KPR-Nalcor-102 Consumer Question: A new \$209 Million TL from Bay d’Espoir has been  
14 proposed in Hydro 2012 Capital Budget (see 2012 NLH Capital Budget  
15 request to the PUB). In a July 12, 2011 press release, NLH reports  
16 water spills at Bay d’Espoir, Jacksons Arm and White Bay, Victoria Lake  
17 and Victoria River and Upper Salmon, Hinds Lake, Burnt Pond and White  
18 Bear River and Granite Lake. This is water wasted for the purpose of  
19 generating cheap hydro power that could possibly have been used to  
20 replace the expensive oil that was burned at Holyrood. This was not  
21 possible because of the current inadequate TL capacity from Bay d’Espoir  
22 to the Avalon. Could Nalcor provide an analysis showing the potential  
23 cost savings and other positive environmental impacts from burning less  
24 fuel at Holyrood as if the new proposed \$209 Million TL had been built for  
25 the in service for 2010 – 2011 years?

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CA/KPR-Nalcor-103 Consumer Question: Nalcor has advised that power rates will go up by 37% by 2016 without Muskrat caused partially by increased fuel costs at Holyrood. If the new \$209 Million TL (which will increase firm capacity by 275W) from Bay d’Espoir to the Avalon had been placed in service in 2010 (to reduce the expensive fuel costs at Holyrood). What would have been the impact on the projected power rates from 2010 to 2017? Could Nalcor provide a detailed analysis?

CA/KPR-Nalcor-104 Consumer Question: The Vale project is scheduled to start production in late 2011 with full production reached in 2016. Fuel consumption will increase by 1.1 million barrels per year by 2016 to serve the Vale Smelter when it reaches full production. Vale will pay a blended power rate for this power (an average system cost). The existing retail customers will have to pay a higher rate to help subsidize a blended average system rate for Vale. Has Nalcor considered charging Vale directly the full incremental cost (the stand alone cost of providing power to the Vale smelter) to reduce the impact on the existing retail power customers of having to pay more because of the power demand from the Vale Smelter?

CA/KPR-Nalcor-105 Consumer Question: Can Nalcor provide an analysis of the impact on the retail power customer – as if the Vale Smelter was charged the incremental cost, the cost of providing power for the Vale Smelter from 2011 to 2017 rather than the blended cost?

CA/KPR-Nalcor-106 Consumer Question: Can Nalcor provide the total number of additional barrels of oil burned at Holyrood due to the additional demand from the Vale project by year from 2012 to 2017?

1 CA/KPR-Nalcor-107 Consumer Question: Can Nalcor provide a graph showing the present  
2 Nalcor predicted retail customer power rates for 2010 to 2017 compared  
3 to the power rates from 2010 to 2017 as if:

4 a. \$209 Million TL (a 275 MW firm capacity increase for the Avalon) had  
5 been in place in 2010, and

6 b. also, if Vale was charged for the full incremental cost of power from  
7 2011 to 2017?  
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9 CA/KPR-Nalcor-108 Consumer Question: A moratorium on small hydro has been in place  
10 since 1998. The power from these sites could be used to reduce fuel  
11 burned at Holyrood. When will the moratorium on small scale hydro  
12 developments be lifted? How much MW of power does Nalcor estimate  
13 that these small scale hydro projects could provide – using small hydro  
14 sites (less than 25 MW) those which have the storage capacity to enable  
15 hydro projection from January to march period – to reduce the peak load  
16 requirements to reduce oil consumption at Holyrood?  
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18 CA/KPR-Nalcor-109 Consumer Question: In the report, Summary of Newfoundland and  
19 Labrador Hydro (NLH) 2010 Long Term Planning Load forecast for the  
20 MF Project, Exhibit 27, section 5.1.3, p. 16 of 22, Hydro Industrial Load,  
21 the energy requirements of the pulp and paper industry are 50% of what  
22 they once were because of closures at Stephenville and Grand Falls and  
23 the reduction in paper demand at Corner Brook (CB). The ongoing  
24 demand forecast for CB is “26 MW in addition to their own significant  
25 generation capacity at Deer Lake” (126 MW at Deer Lake). Can Nalcor  
26 provide the actual total island system load from CB (include Deer Lake)  
27 by year from 2007 to 2011?  
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29 CA/KPR-Nalcor-110 Consumer Question: Can Nalcor provide the projected total system load  
30 (include Deer Lake) from CB used in their forecast from 2012 to 2017?

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2 CA/KPR-Nalcor-111 Consumer Question: Can Nalcor provide an analysis of the impact of  
3 any reductions in their forecasted total system load requirement (include  
4 Deer Lake) from CB? If load reductions are in the range of decreases of  
5 CB load of 10%, 30% and 60% from 2012 to 2017?

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7 CA/KPR-Nalcor-112 Consumer Question: Has the NLH 2010 Long Term Planning Load  
8 Forecast been updated? If updated please provide a copy. If not, why  
9 not?

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11 CA/KPR-Nalcor-113 Consumer Question: In the report submitted to the Federal Panel by  
12 Nalcor, Lower Churchill Hydroelectric Generation Project Nalcor Energy  
13 Final Written Submissions (see p. 22, item 44),

14 "Nalcor considered opportunities to increase the efficiencies at existing  
15 generation facilities. For some existing hydroelectric facilities, Nalcor  
16 found that it could increase power output by one to two percent by  
17 replacing the turbines, stator rings and wicket gates with newer  
18 equipment. This increased efficiency could amount to additional  
19 production capacity of up to 30 MW".

20 a. Can Nalcor list these hydro sites with the cost of the efficiency  
21 upgrades?

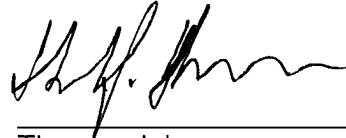
22 b. Has this 30 MW of capacity been included in Nalcor's forecast for the  
23 isolated island option? If not, why not?

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25 CA/KPR-Nalcor-114 Consumer Question: Hydro is subject to regulation by the PUB. Nalcor,  
26 the developer of the \$6.2 billion MF project is not subject to regulation by  
27 the PUB. Why is Nalcor not subject to regulation by the PUB?

1 CA/KPR-Nalcor-115 Consumer Question: Hydro is subject to the Public Tendering Act. Why  
2 is Nalcor not subject to the Act?

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6 DATED at St. John's, in the Province of Newfoundland and Labrador, this 4<sup>th</sup> day of January,  
7 2012.

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