

June 2, 2014

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. Cheryl Blundon**
Director of Corporate Services and Board Secretary

Dear Ms. Blundon:

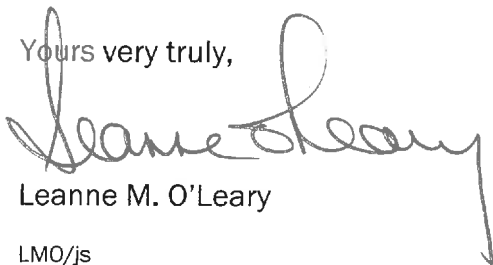
Re: **Newfoundland and Labrador Hydro Application – Application for Approval of a Capital Project to Supply and Install 100 MW Combustion Turbine Generation**

Enclosed are the original and eight (8) copies of Vale's RFIs 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 very truly,



Leanne M. O'Leary

LMO/js

c.c. Geoffrey P. Young, Newfoundland and Labrador Hydro
Gerard M. Hayes, Newfoundland Power Inc.
Thomas Johnson, O'Dea, Earle
Paul L. Coxworthy, Stewart McKelvey
Dean Porter, Poole Althouse
Danny Dumaresque
Fred Winsor, Sierra Club Atlantic

Leanne M. O'Leary | Partner

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IN THE MATTER OF the *Electrical Power Control Act*, R.S.N.L., 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 pursuant to subsection 41(3) of the Act for the approval of the procurement and installation of a combustion turbine at Holyrood.

1 REQUESTS FOR INFORMATION OF VALE NEWFOUNDLAND & LABRADOR LIMITED

2 GT-V-NLH-001 to GT-V-NLH-006

3 Issued June 2, 2014

4 GT-V-NLH-001 The Executive Summary on page 1 of the Report entitled “Supply
5 and Install 100 MW (Nominal) of Combustion Turbine
6 Generation”, April 10, 2014 states that the installation of a
7 combustion turbine generator will eliminate the requirement for
8 leased generation for black start capability at Holyrood.

9 Please confirm the amount of money which has already been
10 spent and/or committed to date by Hydro on the black start
11 capability?

12 GT-V-NLH-002 The Executive Summary on page 1 of the Report entitled “*Supply*
13 *and Install 100 MW (Nominal) of Combustion Turbine*
14 *Generation*”, April 10, 2014, states that the proposed addition of
15 the combustion turbine will replace the leased black start diesel
16 facility at the Holyrood Station.

17 Please confirm if it Hydro's intent to recover the money already
18 spent and/or committed on the black start capability from rate
19 payers?

20 GT-V-NLH-003 The final paragraph of page 6 of the Report entitled “Supply and
21 *Install 100 MW (Nominal) of Combustion Turbine Generation*”,
22 April 10, 2014, discusses Customer Demand Side Alternatives to
23 a Combustion Turbine, stating: “*Therefore, while industrial*
24 *customer interruptible arrangements are important reliability*”

1 *enhancements which will complement turbine installation, they*
2 *are not substitutes."*

3 Please confirm if it is Hydro's intent to have interruptible
4 contracts in place with all willing industrial customers by
5 December 1, 2014? If so, please outline the discussions held
6 with each of the five industrial customers and provide an update
7 on the status of the discussions with each. If it is not Hydro's
8 intent to secure such interruptible contracts within this time
9 frame, please provide an explanation as to why Hydro has
10 elected not to proceed with these alternative capacity
11 arrangements.

12 GT-V-NLH-004 Table 1 on page 1 of the Executive Summary to the Report
13 entitled "*Supply and Install 100 MW (Nominal) of Combustion*
14 *Turbine Generation*", April 10, 2014, shows that the LOLH criteria
15 of 2.8 hours per year is anticipated to be exceeded in 2015.
16 When was this capacity shortage first forecast by Hydro?

17 GT-V-NLH-005 The third paragraph at page 9 of the Report entitled "*Supply and*
18 *Install 100 MW (Nominal) of Combustion Turbine Generation*",
19 April 10, 2014, indicates that the installation schedule for the
20 combustion turbine is very condensed. What is the normal time
21 that Hydro would allow for the procurement and installation of a
22 large capital expenditure such as the 100 mW combustion
23 turbine generator?

24 GT-V-NLH-006 Page 9 of the Report entitled "*Supply and Install 100 MW*
25 *(Nominal) of Combustion Turbine Generation*", April 10, 2014,
26 outlines a very compressed schedule for the purchase and
27 installation of the combustion generator, specifically claiming a
28 requirement for the combustion turbine by December 1, 2014.

29 Please confirm whether Hydro has incorporated penalty clauses
30 into all supply, installation and commissioning contracts
31 associated with this project?

DATED at St. John's, in the Province of Newfoundland and Labrador, this 2nd day
of June, 2014.

COX & PALMER

Per:

Leanne M. O'Leary

- TO: The Board of Commissioners of Public Utilities
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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: Newfoundland Power
P. O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6
Attention: Gerard Hayes
Senior Legal Counsel
- TO: Thomas J. Johnson, Consumer Advocate
O'Dea, Earle
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- TO: Island Industrial Customer Group
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Attention: Paul Coxworthy
- TO: Sierra Club Canada
Atlantic Canada Chapter
St. John's, NL A1E 1N9
Attention: Mr. Fred Winsor
Conservation Chair
- TO: Mr. Danny Dumaesque
213 Portugal Cove Road
St. John's, NL A1B 2N5