

October 23, 2014

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, Newfoundland & Labrador
A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: The Board's Investigation and Hearing into Supply Issues and Power Outages
on the Island Interconnected System**

Newfoundland and Labrador Hydro (Hydro) is in receipt of the Board's Motion Order No. P.U. 41 (2014). As the Board is aware, by correspondence dated September 29, 2014 the Grand Riverkeeper Labrador Inc. (GRK) enclosed two additional sets of Requests for Information (RFIs) numbered GRK-NLH-54-70 and GRK-NLH-71-91 following the filing of Hydro's Motion. The GRK also sent an e-mail dated September 30 adding a separate RFI numbered GRK-NLH-53. The GRK noted that with respect to RFIs GRK-NLH-71-91 these were being filed subject to the Board's decision in Hydro's outstanding motion regarding prior filed RFIs.

By correspondence to the Board dated October 1 Hydro agreed that the GRK's RFIs NLH-71-91 were covered by the subject matter of the outstanding motion. Hydro also noted that it considered that GRK-NLH-58 and the 2nd and 6th bullet items of GRK-NLH-55 were likewise covered by the subject matter of the outstanding motion. The GRK responded to Hydro's October 1 correspondence by letter to the Board dated October 3.

By correspondence to the Board dated October 21 the GRK refiled, at the Board's direction, its previously incorrectly numbered RFIs GRK-NLH-53-70 as RFIs GRK-NLH-58-75 and noted that these are identical to those previously submitted as GRK-NLH-53-70. In the same correspondence the GRK withdrew its previously filed and incorrectly numbered RFIs GRK-NLH-71-91.

Now that the Board has issued its Motion Order and the GRK has withdrawn its previously filed RFIs GRK-NLH-71-91, Hydro is providing its comments with respect the two remaining RFIs in issue, being portions of GRK-NLH-60 (previously numbered GRK-NLH-55) and GRK-NLH-63 (previously numbered GRK-NLH-58).

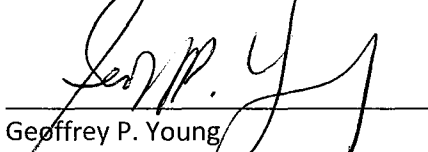
With respect to GRK-NLH-63 the GRK has requested Hydro to provide a legal interpretation of a provision of the Muskrat Falls Power Purchase Agreement in the context of a widely stated hypothetical involving the “unavailability of the power and energy foreseen under the Water Management Agreement in the event of a judicial decision modifying, abrogating or interfering with the expected operation of said Agreement”. In its Motion Order the Board stated that “questions that are too broad or detailed so as to be unhelpful and potentially burdensome to produce should not be allowed”. Hydro respectfully submits that without knowing the specific terms or impact of any hypothetical judicial decision it is unable to provide a reasoned response to RFI GRK-NLH-63 and furthermore that the question calls for a legal interpretation that would need to be fully analysed in the specific context and cannot be properly or helpfully answered in the case of a vague hypothetical situation.

With the benefit of the Motion Order, Hydro now respectfully requests that the Board confirm that RFI GRK-NLH-63 is not required to be responded to by Hydro for the reasons set forth above.

Hydro intends to provide a response to GRK-NLH-60.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young
Senior Legal Counsel

GPY/jc

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
ecc: Roberta Frampton Benefiel – Grand Riverkeeper Labrador

Thomas Johnson – Consumer Advocate
Danny Dumaresque