



Cabot Place, 1100 – 100 New Gower Street, P.O. Box 5038
St. John's NL A1C 5V3 Canada tel: 709.722.4270 fax: 709.722.4565 stewartmckelvey.com

October 24, 2017

Paul L. Coxworthy
Direct Dial: 709.570.8830
pcoxworthy@stewartmckelvey.com

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 – 2017 - Application for the Recovery of the
2015 and 2016 Balances in the Isolated Systems Supply Cost Variance Deferral
Account, the Energy Supply Cost Variance Deferral Account and the Holyrood
Conversion Rate Deferral Account - Requests for Information**

Please find enclosed the original and ten (10) copies of the Requests for Information IC-NLH-001 to IC-NLH-005 of the Island Industrial Customers in the above Application.

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

Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/kmcd

Enclosures

c: Geoff Young, Newfoundland and Labrador Hydro
Dennis M. Brown, Q.C., Consumer Advocate
Gerard Hayes, Newfoundland Power
Dean A. Porter, Poole Althouse
Dennis Fleming, Cox & Palmer
Larry Bartlett, Teck Resources Limited
Sheryl Nisenbaum, Praxair Canada Inc.

IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (the "EPCA") and the Public Utilities Act, RSNL 1990, Chapter P-47 (the "Act"), as amended, and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for the recovery of the balances in: i) the Isolated Systems Supply Cost Variance Deferral Account; ii) the Energy Supply Cost Variance Deferral Account; and iii) the Holyrood Conversion Rate Deferral Account, pursuant to Sections 70(1) and 80 of the Act.

**ISLAND INDUSTRIAL CUSTOMERS GROUP
REQUESTS FOR INFORMATION
IC-NLH-001 to IC-NLH-005**

Issued: October 24, 2017

IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (the "EPCA") and the Public Utilities Act, RSNL 1990, Chapter P-47 (the "Act"), as amended, and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for the recovery of the balances in: i) the Isolated Systems Supply Cost Variance Deferral Account; ii) the Energy Supply Cost Variance Deferral Account; and iii) the Holyrood Conversion Rate Deferral Account, pursuant to Sections 70(1) and 80 of the Act.

1
2
3
REQUESTS FOR INFORMATION OF
THE ISLAND INDUSTRIAL CUSTOMERS GROUP
IC-NLH-001 to IC-NLH-005

- 4 **IC-NLH-001** With the reference to Table 6 [2015 & 2016 Supply Cost
5 Recovery Application Evidence], please confirm the Year
6 column should show 2016, not 2015.
- 7 **IC-NLH-002** With the reference to page 17, line 14 [2015 & 2016 Supply
8 Cost Recovery Application Evidence] please provide the
9 calculation showing a 0.5% rate impact for Island Industrial
10 customers.
- 11 **IC-NLH-003** Please provide a detailed description of the decision
12 framework used by Hydro to elect to dispatch the high cost
13 generation of the combustion turbine, rather than providing
14 less reservoir support at that time and assuming a future
15 ability to generate the required thermal energy from the
16 lower cost Holyrood GS. Hydro's response IC-NLH-008 from
17 the 2016 Standby Fuel Deferral Application stated that: "The
18 methodology used in generating the curve attempts to
19 balance a level of conservatism required to reduce the risk of
20 supply disruptions, while not leading to excessive use of
21 thermals and the associated cost." The present request
22 seeks Hydro's detailed and quantified decision framework for
23 using the high cost CT generation when potential remains

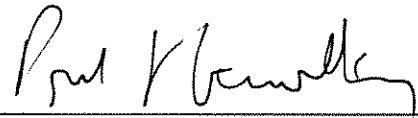
1 that a lower cost thermal generation source may be available
2 be used in future.

3 **IC-NLH-004** With reference to NP-NLH-010 from the 2016 Standby Fuel
4 Deferral Application, please provide the noted information for
5 all periods of standby fuel use during 2016. For reference,
6 the response to NP-NLH-101 stated: "To demonstrate that
7 the fuel costs associated with the operation of Standby
8 Generation were prudently incurred, at the end of each
9 quarter, Hydro will provide a daily account of the generating
10 units start and end times, durations and reason(s) for
11 operation. Hydro will also provide a monthly summary of
12 energy by unit, fuel consumption and cost. To demonstrate
13 the operation of Standby Generation for low hydrology,
14 Hydro also proposes to provide its weekly generation
15 guidelines. Hydro already provides, though the quarterly
16 report to the Board, a report on system hydrology, which
17 details the hydrological conditions, including storage levels
18 and inflows for the quarter."

19 **IC-NLH-005** Further the 2016 Standby Fuel Deferral Application, page 1,
20 please confirm if the decision to "proactively increase" the
21 amount of thermal generation in January and February of
22 2016 resulted in spillage of water in the time period since
23 this generation was dispatched.


DATED at St. John's, in the Province of Newfoundland and Labrador, this 24th day of
October, 2017.

POOLE ALTHOUSE

Per: 

Dean A. Porter

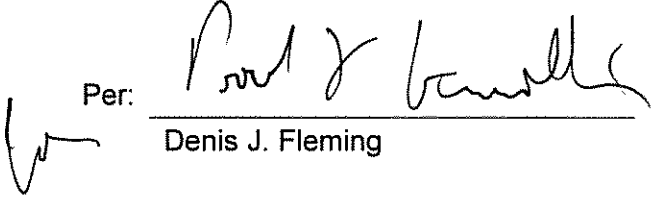
STEWART MCKELVEY

Per: 

Paul L. Coxworthy

COX & PALMER

Per:


Denis J. Fleming

- 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
- TO: Dennis Browne, Q.C., Consumer Advocate
Browne Fitzgerald Morgan & Avis
Terrace in the Square
St. John's, NL A1B 4J9
- 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: Denis Fleming
- TO: Teck Resources Limited
Duck Pond Operations
P. O. Box 9
Millertown NL A0H 1V0
Attention: Larry Bartlett
- TO: Praxair Canada Inc.
1 City Centre Drive, Suite 1200
Mississauga ON M5E 1M2
Attention: Sheryl Nisenbaum