

April 25, 2018

Via Email & Courier

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

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

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro's 2018 Utility Customer Interim Rates Application – Requests for Information by the Labrador Interconnected Group

On April 13, 2018, Newfoundland and Labrador Hydro (Hydro) filed its 2018 Utility Customer Interim Rates Application with the Board of Commissioners of Public Utilities (the Board) seeking approval of:

- i. A change to the Rate Stabilization Plan (RSP) Rules to permit the use of a reduced number barrels of No. 6 fuel for use in calculation of the RSP Fuel Rider;
- ii. An update to the RSP Fuel Rider and the RSP Current Plan adjustment (including conclusion of Newfoundland Power's RSP Mitigation Adjustment);
- iii. An update to the CDM Cost Recovery Adjustment;
- iv. Implementation of 2018 interim base rates for Newfoundland Power; and
- v. All to be effective July 1, 2018.

Hydro is in receipt of correspondence dated April 24, 2018, from the Labrador Interconnected Group enclosing Requests for Information (RFIs) in relation to the 2018 Utility Customer Interim Rates Application. The General Rate Application (GRA) Intervenor Submission Form filed by the Labrador Interconnected Group on September 12, 2017 indicated that it was interested in:

- The reasonableness of Hydro's costs in the Labrador Interconnected system, and the reasonableness of the rate increase to the Labrador Interconnected that Hydro is applying for in the present application.
- The reasonableness and fairness of the deferral account applied for by Hydro to deal with costs and saving arising from the Labrador Island Link, the Labrador Transmission Assets, and the Maritime Link.

Hydro notes that the 2018 Utility Customer Interim Rates Application does not include any proposals with respect to matters identified on the Intervenor Submission Form. Having reviewed the RFIs, Hydro believes that all of the RFIs filed by the Labrador Interconnected Group are outside the scope of the Labrador Interconnected Group's intervention. Further, with the exception of LAB-NLH-086, the remaining RFIs are not relevant to the 2018 Utility Customer Interim Rates Application.

Requests for information LAB-NLH-087, LAB-NLH-088, LAB-NLH-089, and LAB-NLH-090 request details with respect to open-access transmission tariffs. Hydro notes that its open-access transmission tariffs

have already been approved by the Board in Order No. P.U. 3(2018) and has no relevance to the proposals in the 2018 Utility Customer Interim Rates Application.

In Order No. P.U. 35(2017), the Board previously ruled on relevance with respect to responding to requests for information from the Labrador Interconnected Group during the 2017 GRA process. The Board, in its decision and order referenced an excerpt from P.U. 41(2014):

Effective regulation requires open and transparent processes which encourage full participation of all interested persons. The issues before the Board are generally complex and technical and may require the issuance of requests for information to enable a full and satisfactory understanding of the matters to be considered by the Board. These requests for information must be relevant and helpful to the proceeding to allow the Board to fulfill its mandate as set out in legislation.

[Emphasis added]

The Board further stated that:

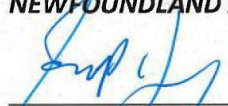
The Board notes that the regulations provide that where the Board permits RFIs for the purpose of a satisfactory understanding of the matters they must be relevant.

As part of the 2017 GRA process, Hydro has responded to the requests of the Labrador Interconnected Group on open-access transmission tariffs. The Requests for Information LAB-NLH-087, LAB-NLH-088, LAB-NLH-089, and LAB-NLH-090 appear to be an attempt by the Labrador Interconnected Group to be permitted an additional round of 2017 GRA RFIs on open-access transmission tariffs through 2018 Utility Customer Interim Rates Application. Hydro submits that this approach is not consistent with an efficient regulatory process.

Hydro submits that the above noted RFIs submitted by the Labrador Interconnected Group: (i) are not relevant to the proposed Rate Stabilization Plan and interim base rate proposals in the 2018 Utility Customer Interim Rates Application; (ii) are not consistent with the stated purpose of the Labrador Interconnected Group in its 2017 GRA intervention as Hydro's proposals do not impact customers on the Labrador Interconnected System; and (iii) will not assist the Board in its understanding the issues before it in considering the rates and regulation proposals included in the 2018 Utility Customer Interim Rates Application. Therefore, Hydro will not be providing responses to LAB-NLH-087, LAB-NLH-088, LAB-NLH-089, and LAB-NLH-090, unless ordered to do so by the Board.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Geoffrey P. Young,
Corporate Secretary & General Counsel
GPY/skc

cc: Gerard Hayes - Newfoundland Power
Paul Coxworthy - Stewart McKelvey
Denis J. Fleming - Cox & Palmer
ecc: Van Alexopoulos - Iron Ore Company
Senwung Luk - Olthuis Kleer Townshend LLP

Dennis Browne, Q.C. – Brown Fitzgerald Morgan & Avis
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