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August 19, 2024

Via Electronic Mail

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

Attention:

Ms. Jo-Anne Galarneau

Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland and Labrador Hydro – 2025 Capital Budget Application

Please find attached the Requests for Information of the Island Industrial Customers Group in relation to the above noted Application.

We trust you find the foregoing satisfactory.

Yours very truly,

POOLE ALTHOUSE

Dean A. Porter

DAP/ag Encl. J:\Clients\4648-60\NLBCPU, Ltr7.doc cc Industrial Customers Group Paul Coxworthy, Stewart McKelvey Denis Fleming, Cox & Palmer

> Newfoundland & Labrador Hydro Shirley Walsh NLH Regulatory

Newfoundland Power Dominic J. Foley Regulatory Email

Board of Commissioners of Public Utilities Jacqui H. Glynn Maureen Greene PUB Official Email

Consumer Advocate Dennis Browne, K.C., Browne Fitzgerald Morgan & Avis Stephen F. Fitzgerald, K.C., Browne Fitzgerald Morgan & Avis Sarah Fitzgerald, Browne Fitzgerald Morgan & Avis Bernice Bailey, Browne Fitzgerald Morgan & Avis

Labrador Interconnected Group Senwung F. Luk, Olthuis Kleer Townshend LLP Nick Kennedy, Olthuis Kleer Townshend LLP

IN THE MATTER OF the Public Utilities Act, RSNL 1990, c P-47 (the "Act"); and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro ("Hydro") for approval of:

- (a) its capital budget for 2025, pursuant to Section 41(1) of the Act;
- (b) its proposed capital purchases and construction projects for 2025 in excess of \$750,000, pursuant to Section 41(3)(a) of the Act; and
- (c) for an Order, pursuant to Section 78 of the Act, fixing and determining its average rate base for 2023 ("Application").

2		ISLAND INDUSTRIAL CUSTOMER GROUP
3 4		IC-NLH-001 – IC-NLH-004
5 6 7		ISSUED AUGUST 19 th , 2024
8 9 10	IC-NLH-001	Schedule 1, 2025 Capital Budget Overview, page 36, Table 9:
10 11 12	IC-INEI I-00 I	Specifically Assigned Capital Work
13 14 15 16 17		Please confirm that Table 9 presents all capital expenditures sought by Hydro to be approved in this Application and which it is proposed be specifically assigned to a member of the Island Industrial Customer Group (Braya Renewable Fuels (Newfoundland) LP, Corner Brook Pulp & Paper Limited or Vale Newfoundland and Labrador Limited).
19 20 21	IC-NLH-002	Schedule 1, 2025 Capital Budget Overview, page 36, Table 9: Specifically Assigned Capital Work
22 23 24 25		Please confirm that Table 9 accurately and completely presents the total remaining cost contributions to be sought from, respectively, Braya Renewable Fuels (Newfoundland) LP and Vale Newfoundland and Labrador Limited, in relation to specifically assigned capital expenditures,

for the period 2025-2029.

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4 IC-NLH-003 At this time, is Hydro aware of any other new projects within or outside its Five-Year Capital Plan that will be proposed to be specifically assigned to any member of the Island Industrial Customer Group (Braya Renewable Fuels (Newfoundland) LP, Corner Brook Pulp & Paper Limited or Vale Newfoundland and Labrador Limited)?

30 31 IC-NLH-004 In total for 2023 and 2024, Braya Fuels (Newfoundland) LP ("Braya") has already been called upon to make contributions to Hydro terminal station asset renewal expenditures in the aggregate amount of \$0.46 million (\$28,000 in 2023 to the CBC T1 and T2 bushings replacement; \$391,600 in 2024 for the CBC T1 and T2 bushings replacement; and \$41,000 in 2024 for the CBC T1 and T2 protective relays replacement). Hydro's 2025 Capital Budget Application proposes that Braya make a further contribution, in the total amount of almost \$0.39 million in 2025, for the CBC T1 and T2 protective relays replacement. This would result in total contributions from Braya for the 2023-2025 period of \$0.85 million. Braya does not dispute the prudence of these terminal station asset renewal expenditures, nor their specific assignment to Braya. However, Braya submits that it is reasonable, where such substantial capital expenditures are being made over a short period of time, that there should be a mechanism to mitigate the year over year contributions to be paid by the the Hydro customer to which these expenditures are specifically assigned. Can Hydro propose an amortization or other staging of the proposed Braya contribution of \$0.39 million so that the Braya contribution may be made over multiple years? If yes, please provide in detail the elements of such a proposal, with illustrative calculations. If no, please explain in detail why such a proposal would not be possible, with illustrative calculations demonstrating why such a proposal could not be implemented without material prejudice to Hydro or Hydro's customers.

DATED at Corner Brook, in the Province of Newfoundland and Labrador, this 19 day of August, 2024.

POOLE ALTHOUSE

Per:

Dean A. Porter

STEWART MCKELVEY		
Per:		
Paul L. Coxworthy		
COX & PALMER		
Per:		
Company Denis Fleming		

TO: The Board of Commissioners of Public Utilities
Attention: Ms. Jo-Anne Galarneau, Board Secretary, Ms. Jacqui Glynn,
Ms. Maureen Greene, K.C., PUB Official Email

TO: Newfoundland & Labrador Hydro Attention: Ms. Shirley Walsh, NLH Regulatory

TO: Newfoundland Power Inc.
Attention: Mr. Dominic J. Foley, NP Regulatory

TO: Labrador Interconnected Group Attention: Senwung F. Luk, Nick Kennedy

TO: Consumer Advocate
Attention: Mr. Dennis Browne, K.C., Mr. Stephen F. Fitzgerald, K.C.,
Ms. Sarah Fitzgerald, Ms. Bernice Bailey