

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

AND

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for approval of the Rate Stabilization Plan components of the rates to be charged to Industrial Customers.

INDUSTRIAL CUSTOMERS’ REQUESTS FOR INFORMATION

IC–NLH–1 to IC–NLH–9

Issued: July 20, 2009

IC-NLH-1

Hydro is making application that the existing Island Industrial Customer interim rates, excepting those for Teck Resources Limited (formerly Teck Cominco Limited), be made final, on the basis that application of the existing RSP rules to calculate (final) rates for Industrial Customers would result “in significant and unreasonable rate volatility”. Explain how the approval of the interim rates would be consistent with the requirement under Section 3 of the *EPCA* that Hydro’s rates should be set in such a manner as to “result in power being delivered to consumers in the province at the lowest possible cost consistent with reliable service”.

IC-NLH-2

As Hydro’s stated concern is with “significant and unreasonable rate volatility”, explain as to why this concern cannot be addressed by setting as the final rates for the Industrial Customers rates which are different from, and lower than, the interim rates, so as to take into account the credit balance in favour of the Industrial Customers in the Current Rate Stabilization Plan.

IC-NLH-3

Explain why there remained a Historical RSP Balance of (\$1,382,925) at the end of the five year collection period to recover the Historical Balance, notwithstanding Hydro’s projection, as represented in Table 13 to the “Review of the Operation of the Rate Stabilization Plan”, that the Historical Plan balance would be paid down completely by December 2007 and notwithstanding the Province’s payment of \$10.0 million to Hydro in October 2006 to allow Hydro “to recover the historical deficit on time, without passing additional costs onto the remaining industrial customers” (in the words of the Honourable Minister Dunderdale at the time), which additional costs would have otherwise arisen due to the shutdown of the Abitibi mill in Stephenville, as approved by P.U. 31(2006).

IC-NLH-4

Provide all RSP monthly reports from January 2007 to date.

IC-NLH-5

Provide pro forma RSP monthly reports for each month from January 2008 to date, prepared on the assumption that all the RSP rules, including the load variation, were applied, together with calculations for the 2008 and 2009 RSP portions of the rates charged to Industrial Customers, using the same assumptions.

IC-NLH-6

(a) Calculate, for each Industrial Customer, the difference in what has been paid by each of them under the interim rates in each of 2007, 2008, and 2009 to date, as compared to what would have been paid by each of them if all the RSP rules had been applied in accordance with the assumption set out in IC-NLH-5.

(b) Project, for each Industrial Customer and assuming that expected future power consumption and other variables specific to each Industrial Customer will remain as expected by Hydro based on Hydro’s most current information, the difference in what will be paid by each of them under the existing interim rates, as final rates, in the remainder of 2009, 2010 and 2011, as compared to what would be paid by each of them if all the RSP rules are applied in accordance with the assumption set out in IC-NLH-5.

1 **IC-NLH-7**

2 Explain how amounts related to the historical portion of the RSP have been accounted for in
3 Hydro's financial statements, starting with the financial statements for 2007 and in the financial
4 statements prepared for subsequent periods to date.

6 **IC-NLH-8**

7 What are Hydro's projections of the RSP portion of the rates to be charged to Industrial
8 Customers up to and including 2011

10 (a) based on the assumption that Hydro's Application is granted?

11 (b) based on the assumption that Hydro's Application is granted except in respect of the change
12 in rates sought for Teck Resources Limited (formerly Teck Cominco Limited)?

13 (c) based on the assumption set out in IC-NLH-5?

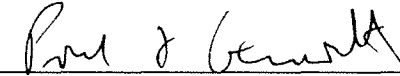
15 **IC-NLH-9**

16 Explain how Hydro's suggestion to the Board, expressed in the June 30, 2009 covering
17 correspondence to this Application, that "the Board may wish to consider suspension of the
18 existing load variation allocation rules and holding in abeyance current and future load variation
19 amounts until such time as Hydro can develop a proposal to address the current anomalies in the
20 RSP", differs, for the applicable period, from the effect of approving the interim rates as final
21 rates as sought by the Application.

DATED at St. John's, Newfoundland and Labrador, this 20th day of July, 2009.

INDUSTRIAL CUSTOMERS

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