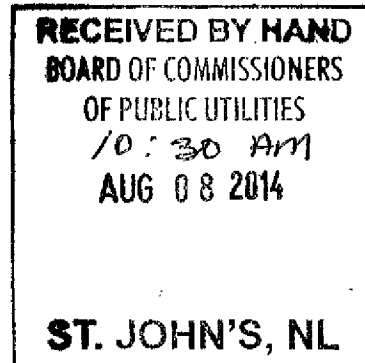


Senwung Luk  
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73205

August 1, 2014

Cheryl Blundon  
Board Secretary  
Board of Commissioners of Public Utilities  
P.O Box 21040,  
120 Torbay Road,  
St. John's, NL A1A 5B2



Dear Ms Blundon:

**Re: General Rate Application of Newfoundland and Labrador Hydro – Application for interim costs for Innu Nation**

Please find enclosed a copy of Innu Nation's application for interim costs in relation to the above subject matter, including the application, a supporting affidavit, and relevant invoices.

If you have any questions with respect to the application, please contact the undersigned.

Yours truly,  
OLTHUIS KLEER TOWNSHEND LLP

Senwung Luk  
Associate

SL/tm

Enclosure

DISTRIBUTION LIST FOR MAIL	
CHAIR & CEO	LEGAL COUNSEL
VICE-CHAIR	COMPLIANCE AUDITOR
COMMISSIONER	FINANCIAL OFFICER
P-T COMMISSIONERS	FINANCIAL ANALYST
DIRECTOR-BOARD SECRETARY	IT OFFICER
DIRECTOR-REGULATORY	OTHERS

IN THE MATTER OF the *Public Utilities Act*, RSN 1990, Chapter P-47 (the "Act");  
and

IN THE MATTER OF a General Rate Application (the Application) by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

### **APPLICATION OF INNU NATION REGARDING AN INTERIM COSTS ORDER**

**THE APPLICATION OF the Innu Nation states:**

#### **Introduction**

1. Innu Nation makes two submissions to the Public Utilities Board ("PUB" or "Board") with respect to costs. These submissions are made at this interim stage of the General Rate Application ("GRA"), as a result of the Notice of Amended Filing of Newfoundland and Labrador Hydro ("NLH" or "Hydro"), served on June 6, 2014.
2. Innu Nation has participated responsibly in the GRA process thus far, only to find out at a late stage that much of the work done in preparation for the GRA will no longer be useful, as Hydro will be submitting an amended GRA based on a new test year. We ask that the Board exercise its discretion to order costs to compensate Innu Nation on an interim basis.

**Interest of Innu Nation**

3. Innu Nation is a corporation without share capital, incorporated under the *Canada Corporations Act*. Innu Nation's members are the Innu people of Labrador.
4. Innu Nation's member reside mainly in Natuashish and Sheshatshiu, Labrador. Members living in Sheshatshiu are customers on the Labrador Interconnected System, while members living in Natuashish are on an isolated diesel generation system that does not benefit from PUB regulated subsidies available to all other isolated electricity customers in the province.
5. Many Innu Nation members live in poverty and receive Income Assistance. In addition, much of the housing in Natuashish and Sheshatshiu is poorly insulated, contributing to higher electricity consumption.
6. Innu Nation's interest in the GRA includes ensuring that the rates charged to Labrador customers are just and reasonable.

**Background to submissions for interim costs**

7. NLH first filed a GRA on July 30, 2013. Innu Nation was accepted as an intervenor on September 18, 2013, by Order No. PU 28 (2013).
8. From the beginning of Innu Nation's involvement, it has participated responsibly in the GRA process. It has reviewed the application and supporting evidence submitted by NLH, it has reviewed the materials submitted by other intervenors, it has prepared requests for

information ("RFIs") for other parties, and answered RFIs posed by other parties. It has also engaged an expert, Mr Phil Raphals, to assist in the preparation process.

9. Innu Nation's responsible participation has included contributions that are useful to other parties as well. Along with the Consumer Advocate and the Towns of Labrador City, Happy Valley-Goose Bay and North West River, Innu Nation helped to identify certain issues with Hydro's proposed treatment of the rural deficit allocation, which led to Hydro's amendment to RFI CA-NLH-166, which proposed a new and more just treatment of the rural deficit allocation.

#### **Interim costs**

10. All of Innu Nation's participation has thus far been based on evidence that NLH filed with the original GRA, which was based on a 2013 test year.
11. On June 6, 2014, Hydro served a Notice of Amended Filing. In it, Hydro stated that their amended filing will be based on a 2015 test year.
12. As per the PUB's revised schedule of dates issued March 11, 2014, June 6, 2014, the date on which Hydro had served their Notice of Amended Filing, was to have been the deadline for filing issues for settlement discussions. The negotiation period was to have commenced on June 9, 2014, and the public hearing was to have commenced on July 9, 2014. Because of the late timing of Hydro's Notice of Amended Filing, preparations for the GRA process based on the 2013 test year data was at an advanced stage.

13. While it may be that there will be certain overlaps in the data for the original filing and the amended filing, because the test year will be different, it is safe to say that the analysis of the filing will need to be substantially redone. This renders the work done for the original filing of little to no utility.
14. As a result, Innu Nation will have to substantially revise its analysis of the GRA, and may need to engage further expert reports on the matter.
15. Innu Nation does not have sources of revenues for purposes of participating in regulatory hearings. It had anticipated an outlay of resources to participate in the GRA process in 2014, and that it could have a chance to seek costs to defray that outlay shortly thereafter. As a result of Hydro's Notice of Amended Filing, it is reasonable to assume the GRA will likely be delayed for a year or more.
16. Innu Nation seeks an order for interim costs based on its participation thus far in the process, which would enable it to have sufficient resources to fully participate in the process as it relates to the Amended Filing.

**Disposition Sought by Innu Nation**

17. Innu Nation submits that their intervention and participation in the GRA process thus far has been responsible and reasonably necessary to the process, and warrants an award of interim costs.

**Detailed claim for costs**

18. A detailed claim for costs, with supporting invoices, is submitted with this Application. Innu Nation claims solicitor-client privilege over the information contained in the enclosed supporting documentation. However, we hereby confirm Innu Nation's consent to disclosure of the enclosed invoices to Hydro, as the Board sees fit, with the exception of the portions blacklined in the enclosed invoices. We request that if the Board believes that disclosure to parties, other than Hydro, of the detailed cost submission is necessary, that we be given the opportunity to make submissions to the Board with respect to any wider disclosure.
19. In total, the expert engaged by Innu Nation incurred \$50,750.00 in costs. Innu Nation seeks an award of the full amount of this cost incurred. To the extent that the costs incurred by this expert may be higher than those incurred by the experts of the other parties, Innu Nation submits that this is due to the lack of familiarity of Innu Nation's expert as compared to other experts. However, as new participants in the GRA process, it was important for Innu Nation's interests to engage an expert who had not previously been engaged by any of the other parties.
20. In total, the legal fees incurred by Innu Nation amount to \$104,156.64. Innu Nation recognizes that carriage of the matter had to shift from one lawyer to another due to maternity leave being taken, which results in a discount of \$7,950.00. Moreover, Innu Nation acknowledges that due to its legal counsel being new to the GRA process, that certain costs were incurred which would in fairness should be discounted as well. Innu Nation

submits that a reasonable discount is 15%. Innu Nation therefore seeks legal costs of \$81,775.64.

21. While these costs may be higher than the legal costs incurred by other parties, Innu Nation submits that much of it is attributable to research into the complicated facts behind arrangements for funding for electricity provision in Natuashish.

22. Totalling the \$50,750.00 that Innu Nation seeks for costs incurred by the expert it retained, and the \$81,775.64 that it seeks for costs incurred by legal counsel, Innu Nation therefore seeks \$132,525.64 in interim costs.

Documents relating to this Application may be served on the Innu Nation in care of:

Senwung Luk  
Olthuis Kleer Townshend LLP  
250 University Ave, 8<sup>th</sup> Floor  
Toronto, ON M5H3E5  
Tel: 416-981-9330  
Fax: 416-981-9350  
Email: sluk@oktlaw.com

**ALL OF WHICH IS RESPECTFULLY SUBMITTED.**

DATED at Toronto, Ontario, this 1<sup>st</sup> day of August, 2014.

*OLTHUIS KLEER TOWNSHEND LLP*

A handwritten signature in black ink, appearing to be 'Senwung Luk', written over a horizontal line.

Senwung Luk

TO: The Board of Commissioners of Public Utilities  
Suite E210, Prince Charles Building  
120 Torbay Road  
PO Box 21040  
St. John's, NL A1A 5B2  
Attn: Board Secretary

TO: Newfoundland & Labrador Hydro  
PO Box 12400  
500 Columbus Drive  
St John's, NL A1B 4K7  
Attn: Geoffrey P Young  
Senior Legal Counsel

**(Note: Hydro has been copied on the application without enclosed invoices)**