

Our File: 115064

September 23, 2015

Ms. Jacqui Glynn
Board Counsel
The Newfoundland and Labrador Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, Newfoundland
A1A 5B2

Ms. Glynn:

**Re: In the Matter of a Prudence Review Relating to Certain Actions and Costs of
Newfoundland and Labrador Hydro**

Newfoundland and Labrador Hydro ("Hydro") is in receipt of the Liberty Consulting Group's ("Liberty") Reply Evidence dated September 17, 2015 ("Reply Evidence") in respect to the above matter. Hydro noted at a recent counsel meeting to deal with ongoing procedural issues related to this matter that due to the extensive nature of the Reply Evidence, Hydro believes it is necessary to be accorded the opportunity to provide a surrebuttal, or in the alternative to provide an Opening Statement or Statements from its witness panels and experts prior to the start of the oral portion of the Prudence Hearing, or in the further alternative, to address Hydro's position on certain aspects of the Reply Evidence through direct examination at the commencement of the Prudence Hearing.

It was noted at the counsel meeting that it may be preferable to have Hydro's position in rebuttal in advance of the oral hearing so that Hydro's rebuttal comments are not being heard for the first time by the parties during direct examination. Hydro is open to any of the foregoing alternatives.

It was requested at the counsel meeting that Hydro put its request formally in writing to the Board, which is the purpose of this letter.

Hydro's request is based on the fact that the Liberty Reply Evidence is very extensive, running to some 27 pages, and in its Reply Evidence, Liberty has taken exception to a number of issues raised in Hydro's Reply Evidence of August 7, 2015, which was the first opportunity Hydro had to respond to Liberty's July 6, 2015 Final Report in this matter.

For example only, Hydro filed a betterment report from Gannett Fleming as Appendix A to its August 7, 2015 Reply Evidence which Liberty contends has no application in this matter. Hydro

will need to be able to explain why it does not believe Liberty's position is appropriate and the concerns it has with Liberty's comments on the betterment approach. Liberty also makes statements such as that found at page 18 of its Reply Evidence that the Hardwoods CT "would not be considered as a blackstart solution by a reasonable utility manager" and at page 20 that "utility planners are required to plan for events that they might see, at most, once-in-a-career". It is important that Hydro and its experts be given the opportunity to respond to points such as these in a direct manner.

The foregoing are examples only of items raised by Liberty which require providing Hydro with the opportunity for direct rebuttal.

Hydro and its experts will of course limit their comments to those items which they believe require specific rebuttal and have not otherwise been previously fully responded to in Hydro's initial reply to the Liberty Final Report.

Hydro looks forward to the Board's directions in this regard.

Yours very truly,



David S. MacDougall

cc: Interested Parties