



Cabot Place, 1100 – 100 New Gower Street, P.O. Box 5038
St. John's NL A1C 5V3 Canada tel: 709.722.4270 fax: 709.722.4565 stewartmckelvey.com

February 23, 2016

Paul L. Coxworthy
Direct Dial: 709.570.8830
pcoxworthy@stewartmckelvey.com

Via Electronic Mail and Courier

Newfoundland and Labrador Board
of Commissioners of Public Utilities
120 Torbay Road
P.O. Box 21040
St. John's, NL A1A 5B2

**Attention: Ms. G. Cheryl Blundon, Director of Corporate Services
and Board Secretary**

Dear Ms. Blundon:

Re: NL Hydro Application for 2016 Standby Fuel Deferral Account

Please find enclosed the original and eight (8) copies of the Requests for Information IC-NLH-1 to IC-NLH-11 of the Island Industrial Customers in the above Application.

We trust you will find the enclosed to be in order.

Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/kmcd

Enclosure

- c. Geoffrey P. Young, Senior Legal Counsel, Newfoundland and Labrador Hydro
- Thomas J. Johnson, Consumer Advocate
- Gerard Hayes, Newfoundland Power
- Thomas J. O'Reilly Q.C., Cox & Palmer
- Dean A. Porter, Poole Althouse
- Sheryl Nisenbaum, Praxair Canada Inc.

IN THE MATTER OF the *Electrical Power Control Act*, R.S.N.L. 1994, Chapter E-5.1 (the *EPCA*) and the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47 (the "*Act*"), and regulations thereunder;

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (Hydro) pursuant to section 70 of the Act, for approval of a deferral account for diesel fuel consumed in 2016 to provide capacity and energy to the Island Interconnected System

**ISLAND INDUSTRIAL CUSTOMERS GROUP
REQUEST FOR INFORMATION
IC-NLH-1 to IC-NLH-11**

Issued: February 23, 2016

IN THE MATTER OF the *Electrical Power Control Act*, R.S.N.L. 1994, Chapter E-5.1 (the *EPCA*) and the Public Utilities Act, R.S.N.L. 1990, Chapter P-47 (the "*Act*"), and regulations thereunder;

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (Hydro) pursuant to section 70 of the Act, for approval of a deferral account for diesel fuel consumed in 2016 to provide capacity and energy to the Island Interconnected System

**REQUEST FOR INFORMATION OF
THE ISLAND INDUSTRIAL CUSTOMERS GROUP
IC-NLH-1 to IC-NLH-11**

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3
- 4 **IC-NLH-1** With reference to Appendices C, D and E of the Application,
5 please provide, for each Hydro thermal generation supply source
6 (turbine and diesel) in respect of which fuel purchase costs are
7 proposed to be captured by the deferral account, the assumed
- 8 a. annual and monthly energy volumes,
9 b. efficiencies,
10 c. fuel volumes,
11 d. unit prices, and
12 e. total costs.
- 13 **IC-NLH-2** Please provide a breakdown, for each Hydro thermal generation
14 supply source (turbine and diesel) in respect of which fuel
15 purchase costs are proposed to be captured by the deferral
16 account, of the standby fuel costs and efficiencies at each of GRA
17 prices, and updated forecast pricing. Please indicate which fuel
18 price estimates were used in the Application.
- 19 **IC-NLH-3** Please provide the load forecast for 2016 used in the calculations
20 for the Application. Please indicate the date this load forecast was
21 prepared, and if any more up-to-date load forecasts are available
22 or pending.
- 23 **IC-NLH-4** Please provide details how "F1-Test Year Consumption" and "F1-
24 Forecast Consumption" are calculated in Appendices C, D and E
25 of the Application.

- 1 **IC-NLH-5** Please provide Hydro's most current forecast DAFOR for
2 Holyrood for Q1 and Q2 2016. If a forecast is not available, please
3 provide a reasonable estimate of DAFOR based on known unit
4 conditions, operating constraints and planned 2016 work. Please
5 provide the maximum energy available from Holyrood by quarter,
6 for each quarter in 2016, consistent with the stated DAFOR.
- 7 **IC-NLH-6** With reference to the chart at slide 28 of the Technical Conference
8 presentation in respect of this Application, please provide a
9 detailed description of the dotted line labelled as "min (2015
10 curve)", explaining what this line represents, how it is calculated,
11 and whether it is up to date (e.g., why "2015 curve" and not 2016,
12 for example).
- 13 **IC-NLH-7** With reference to the chart at slide 28 of the Technical Conference
14 presentation in respect of this Application, please explain why the
15 dotted line does not represent the horizon that defines when high
16 cost generation sources are dispatched (i.e., only Holyrood oil if
17 above this line, and full dispatch of turbines if below this line).
- 18 **IC-NLH-8** With reference to IC-NLH-007, if the dotted black line is not a
19 reasonable minimum storage level consistent with energy security,
20 please provide a version of slide 28 that shows a dotted line
21 consistent with Hydro's interpretation of a reasonable minimum
22 level of energy security for 2016. Please provide a full
23 quantification of the risks and likelihood of insufficiency of supply
24 associated with the dotted line plotted.
- 25 **IC-NLH-9** With reference to the chart at slide 28 of the Technical Conference
26 presentation in respect of this Application, please provide
27 projected values for the remainder of 2016 for the black line (the
28 "Total System Energy Storage") in both graphical and numerical
29 form under the following scenarios:
- 30 a. Holyrood DAFOR per the response to IC-NLH-005 above,
31 Holyrood oil generation maximized within the constraints of
32 the DAFOR, 1961 inflows, and other generation/IPP per
33 Appendix C of the Application.
- 34 b. Holyrood DAFOR per the response to IC-NLH-005 above,
35 Holyrood oil generation maximized within the constraints of
36 the DAFOR, 1961 inflows, IPPs per Appendix C of the
37 Application, and other generation (turbines, diesels)
38 minimized to only target storage equal to the dotted line (or
39 alternatively, the dotted line provided in response to IC-
40 NLH-008). Please provide the unit generation (kW.h) and
41 cost values (in the same format as Appendix C) for
42 standby fuel under this scenario.
- 43 c. As per scenario (a), but with 1985 inflows and other
44 generation/IPP per Appendix D of the Application.

- 1 d. As per scenario (b), but with 1985 inflows and IPP per
2 Appendix D. Adjust other generation (turbines, diesels) to
3 minimize so as to only target storage equal to the dotted
4 line in original slide 28 in the Technical Conference or as
5 adjusted per Hydro's response to IC-NLH-008.
- 6 e. As per scenario (a), but with average inflows and other
7 generation/IPP per Appendix E of the Application.
- 8 f. As per scenario (b), but with average inflows and IPP per
9 Appendix E. Adjust other generation (turbines, diesels) to
10 minimize so as to only target storage equal to the dotted
11 line in original slide 28 in the Technical Conference or as
12 adjusted per Hydro's response to IC-NLH-008.
- 13 g. In the event Hydro sees a reasonable risk of an inflow
14 scenario below the 1961 minimum, please provide an
15 equivalent scenario (per (a) and (b) above) for this inflow
16 projection.

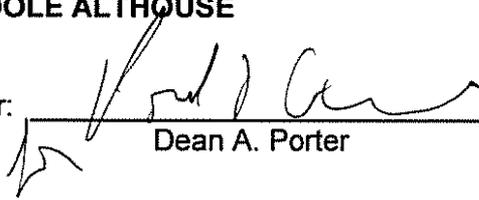
17 **IC-NLH-10** For each scenario in IC-NLH-009 above, please provide a
18 narrative of the reasonableness of the assumptions, the risks
19 inherent in the scenario, and the justification for maintaining
20 reservoir levels above the range of the dotted line discussed in IC-
21 NLH-007 and IC-NLH-008 above.

22 **IC-NLH-11** The Public Safety Advisory published by Hydro on February 21,
23 2016 [available at [http://www.nlhydro.com/public-safety-advisory-](http://www.nlhydro.com/public-safety-advisory-granit-canal-area/)
24 [granit-canal-area/](http://www.nlhydro.com/public-safety-advisory-granit-canal-area/) accessed on February 22, 2016] notes that
25 "there is a limited potential for a bypass and controlled water
26 release" in the Granite Canal area due to "increased inflows from
27 recent rainfall and snowmelt this week combined with the storage
28 availability in this part of the system". Please discuss the
29 relationship of these "increased inflows" to the hydrology condition
30 concerns intended to be addressed by Hydro's present
31 Application.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 23rd day of February, 2016.

POOLE ALTHOUSE

Per:



Dean A. Porter

STEWART MCKELVEY

Per:



Paul L. Coxworthy

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

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

TO: Thomas Johnson, Q.C., Consumer Advocate
O'Dea, Earle Law Offices
323 Duckworth Street
St. John's, NL A1C 5X4

TO: Newfoundland Power Inc.
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6
Attention: Gerard Hayes, Senior Legal Counsel

TO: Cox & Palmer
Scotia Centre, Suite 1000
235 Water Street
St. John's, NL A1C 1B6
Attention: Thomas J. O'Reilly, Q.C.

TO: Praxair Canada Inc.
1 City Centre Drive, Suite 1200
Mississauga ON M5E 1M2
Attention: Sheryl Nisenbaum, Director of Legal Affairs