

December 9, 2013

Stephen F. Penney
Direct Dial: 709.570.8881
spenney@stewartmckelvey.com

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

Dear Ms. Blundon:

Re: An Application by Newfoundland and Labrador Hydro for approval of the terms and conditions applicable to the supply of electricity to North Atlantic Refinery Limited (NARL)

I am counsel to North Atlantic Refinery Limited ("North Atlantic") in relation to the above referenced PUB application.

I am writing to request an extension to the schedule outlined in your correspondence of December 5, 2013. In particular, we are seeking an extension to the December 18, 2013 date for North Atlantic's submissions for the following reasons:

1. The December 18, 2013 date is only 2 days after the Responses to the Requests for Information.
2. The issue is more complex than simply the lack of insurance raised by Newfoundland and Labrador Hydro ("Hydro"). We would need to examine what efforts have been made by Hydro to place insurance and the terms and conditions under which insurance may or may not be available.
3. In Board Order No PU7 (2002-3) at p 145, the Board noted that to fully consider the issue of the limitation of liability clause, it would wish to consider evidence such as evidence of:
 - (a) "the costs and the impact upon North Atlantic of incurring [the risk associated with not having a recourse as against Hydro]";
 - (b) "potential sources of backup power or other ways in which damage from power interruption may be mitigated"; and
 - (c) "practices at other refineries".

It will take some time for North Atlantic to marshal this evidence and potentially require testimony of experts to allow the Board the opportunity to fully consider its position.

4. The current situation with no limit of liability has been in place for more than 10 years, and if there is to be a sudden and abrupt change to North Atlantic's contractual relations

with Hydro, North Atlantic will need time to manage and address the new risks it is facing.

5. Korean National Oil Company is currently seeking a purchaser of its Canadian assets which includes, through its subsidiary Harvest Energy Inc., its oil refinery and retail operations in Newfoundland and Labrador operated by North Atlantic. This process is requiring a significant commitment of time and effort by North Atlantic's personnel. Accordingly, the ability North Atlantic has to commit the resources to their submission is severely constrained. Moreover, counsel for Hydro were aware of these difficulties prior to the filing of their application.

Accordingly, North Atlantic requests an extension to January 24, 2014 to file their submissions. In the interim, North Atlantic will be filing their Request for Information by Wednesday, December 11, 2013.

Yours truly,

Stewart McKelvey



Stephen F. Penney*

SFP/reh

*Law Corporation

c: Geoff Young
Jacqui Glynn