

August 12, 2013

## Via Courier and Electronic Mail

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

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

Attention:

Ms. G. Cheryl Blundon

**Board Secretary** 

Dear Ms. Blundon:

Re: 2013 Hydro Application – Application for RSP Rules and Rates to be charged to industrial customers

We write on behalf of the Island Industrial Customers Group Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources Limited (the "Island Industrial Customers Group")

## Please find enclosed

- 1. the original and 8 copies of the Island Industrial Customers Group's Notice of Intention to Participate (Intervenor's Submission) in respect of the Application; and
- 2. the original and 8 copies of the Island Industrial Customers Group's first round of Requests for Information in respect of the Application.

The originals and copies of the Notice and of the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to the parties listed below. An electronic copy in pdf format will follow.

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If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly, Stewart McKelvey

Paul L. Coxworthy

PLC/sg

Enclosure

c: Peter Alteen/Gerard Hayes/Liam O'Brien

ul / Generth

Newfoundland Power

Geoff Young/Colin Feltham Newfoundland and Labrador Hydro

Thomas Johnson Consumer Advocate

Mark Sheppard/Thomas J. O'Reilly, Q.C. Vale Newfoundland & Labrador Limited

Sheryl Nisenbaum/David Meade Praxair Canada Inc.

Gregory Moores Abitibi

Dean A. Porter Poole Althouse 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) and regulations thereunder;

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro for the approval, pursuant to Sections 70(1) and 76 of the Act, of the Rate Stabilization Plan rules and components of the rates to be charged to Industrial Customers (the "Application").

## 1 REQUESTS FOR INFORMATION OF THE ISLAND INDUSTRIAL CUSTOMERS GROUP

2 IC-NLH-1 to IC-NLH-5 3 Issued August 12, 2013 IC-NLH-1 4 Please provide a month by month schedule showing the 5 forecast drawdown of the proposed remaining \$10 million RSP 6 credit for the island industrial customers for each of Teck and 7 Non-Teck industrial customers. In this schedule please 8 show all load used by month (including kWh for energy (i) rate and kW for demand charge) to calculate each 9 10 monthly amount, and 11 (ii) identify whether or not any load growth/decline was 12 forecast between months for the period September 1, 13 2013 - August 31, 2015 for the purposes of forecasting 14 the drawdown. Please reconcile the year-end 2012 amounts shown in Table 1 15 IC-NLH-2 16 at page 6 of the Appendix A July 2013 Rate Stabilization Plan Evidence 17 18 with the amounts shown on page 6 of Appendix D of the (i) 19 Application, and 20 (ii) with the amounts shown for the December 31, 2012

RSP Report,

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fully explaining and quantifying all differences for each reconciliation.

IC-NLH-4

IC-NLH-5

IC-NLH-3

OC 2013-089 dated April 4, 2013 states that "On June 30, 2013 the Island industrial customers' Rate Stabilization Plan will be credited with \$56.5 million, the estimated Rate Stabilization Plan amount required to phase-in industrial customer rates, based on Newfoundland and Labrador Hydro's General Rate Application". OC 2013-207 dated July 16, 2013 substitutes the aforementioned amount of \$56.5 million with \$49 million. Please explain what circumstances and assumptions in relation to Hydro's General Rate Application changed so that the amount required to phase-in industrial customer rates could be reduced from \$56.5 million to \$49 million.

OC 2013-089 dated April 4, 2013 states that "Effective on this date [originally July 1, 2013, subsequently changed to September 1, 2013] rate increases for island industrial customers will be phased in over a three year period...". Hydro is proposing by this Application that effective September 1, 2015 all island industrial customers will be charged the base rates approved by the Board, effectively bringing the phase-in to an end. Please explain how Hydro's proposal to complete the phase-in effective September 1, 2015 is in compliance with the OC 2013-089 direction "that rate increases for island industrial customers will be phased in over a three year period".

At section 4.5, page 10 of the Appendix A July 2013 Rate Stabilization Plan Evidence, it is proposed by Hydro that the August 31, 2015 balance in the IC RSP Surplus will be applied to the IC RSP plan in effect at that time, and will be included in the regular RSP adjustment calculations, to be applied on January 1, 2016. At section 6.0, page 14 of the Appendix A Evidence, Hydro summarizes its proposal in this regard as follows: "Any remaining balance, positive or negative, in the IC RSP surplus on August 31, 2015 will be transferred to the regular IC RSP account...". Based on the forecast rates shown in Table 3 at page 11 of the Appendix A Evidence, and Hydro's current information, forecasts and assumptions regarding respective industrial customer loads to August 31, 2015, please provide Hydro's forecast or estimate, either as already prepared or to be prepared to enable Hydro's response to this request for information, as to whether the August 31, 2015 balance in the IC RSP Surplus is forecast or estimated to be a positive balance or a negative balance. Please include with Hydro's response the forecast or estimated amount, or if Hydro is not able to forecast or estimate an amount, then an order of magnitude forecast or estimate, of the positive or negative balance in the IC RSP Surplus as at August 31, 2015.

<u>DATED</u> at St. John's, in the Province of Newfoundland and Labrador, this 12th day of August, 2013.

**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, 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: Vale Newfoundland & Labrador Limited

c/o 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 L5B 1M2 Attention: Sheryl Nisenbaum, Assistant Secretary

TO: Abitibi-Consolidated Company of Canada

c/o Stewart McKelvey Attention: Gregory Moores