



NEWFOUNDLAND AND LABRADOR HYDRO

Lower Churchill Project

P. O. Box 12400, St. John's, NL A1B 4K7
Telephone (709) 737-1805; Fax (709) 737-1782

Doc. No. 07-11/1763

November 19, 2007

BY MESSENGER

Mtre Véronique Dubois
Secretary
Régie de l'énergie
800, Square Victoria
2nd Floor, Suite 255
Montréal, PQ H4Z 2A2

Dear Mtre Dubois:

RE: Hearing R-3640 (Electricity)
Written Submission under Section 10 of the *Regulation respecting the Procedure of the Régie de l'énergie*

We refer you to Hearing R-3640 (Electricity) that is currently underway before the Régie de l'énergie (the "Régie").

Newfoundland and Labrador Hydro ("NLH") is a member of the Québec Interconnections and Energy Group ("QIEG"), which is a recognized intervener in the above-mentioned hearing.

NLH has been monitoring developments in this matter and is aware that Hydro-Québec TransÉnergie ("HQT") has requested that the following paragraph be added to the end of Section 19.3 of HQT's Open Access Transmission Tariff ("OATT"):

"Any substantial change to a request which is subject to a System Impact Study, specifically regarding points of receipt or delivery, maximum capacity to be transmitted or transmission service specifications, shall result in the request being processed as a new request and being assigned a position in the sequence of System Impact Studies corresponding to the date on which a complete application for the modified request was submitted to the Transmission Provider."

It was with great surprise that NLH learned, during testimony held over the course of the week of November 12, 2007, of the position taken by HQT as to the reason why it seeks to have this paragraph added. According to HQT, this paragraph should be adopted for the sake of consistency with Section 12A3 of the OATT and its adoption does not result from any specific problem. More specifically, Ms. Chantal Guimont, Marketing Director at HQT, testified as follows on November 14, 2007:

“Q. [266] Maintenant, question de précision encore une fois. Je vais vous référer aux modifications proposées aux Tarifs et conditions, à la pièce HQT-13, Document 4, à la page 3 où vous indiquez les justifications de vos modifications. Et aux articles 19.3 et 32.3, vous demandez une modification afin de préciser la séquence des études d’impact. Et dans votre justification, vous dites que cet ajout-là va servir à préciser que la séquence des études d’impact inclut à la fois les demandes concernant les raccordements de centrale et celles concernant les demandes de service de transport. Et on avait un peu de difficulté à voir pourquoi vous parliez ici des demandes concernant les raccordements de centrale. Et je crois dans une réponse, vous avez référé à l’article 12)a)3 où, pour des raccordements de centrale, justement, il ya a une disposition similaire. Est-ce que, là, je dois comprendre qu’ici, l’objectif visé, c’est uniquement d’uniformiser les texts des Tarifs de façon à prévoir que, autant pour une demande de raccordement de centrale que pour une demande de service de transport, les règles soient les mêmes à suivre en matière de la séquence d’études d’impact?”

R. Ça, c’est par mesure de cohérence et de clarté dans les textes parce que l’esprit est là.

Q. [267] Mais vous n’avez pas fait cette modification là parce que vous aviez un problème particulier?”

R. Non, pas du tout.” (Transcripts of November 14, 2007 at pages 178 and 179)

NLH wishes to advise the Régie that, on November 19, 2007, it formally filed a complaint with HQT pursuant to the *Procedure for examining complaints from Hydro-Québec TransÉnergie’s clients*, taking issue with HQT’s position as expressed through Ms. Guimont’s testimony and, *inter alia*, requesting confirmation from HQT that Section 12A of the OATT applies only to the connection of generating stations within Québec and not to a transmission customer seeking point-to-point transmission service.

At the heart of NLH’s complaint are two letters, the first from HQT to NLH and the second from NLH to HQT, both dated March 22, 2007, which are enclosed herewith for the Régie’s information.

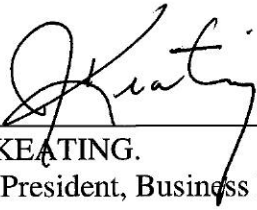
In addition, we are informed that HQT asked the Regie to postpone the debate about FERC Order 890 to next year’s rate case. Order 890 addresses the question of enhancements of transparency, limits to discretion of transmission providers and elimination of discrimination. We understand that modification to section 19.3 of HQT OATT falls within the ambit of the spirit of Order 890.

In light of the foregoing, we respectfully request that the issue of the adoption of the proposed paragraph be postponed and only addressed in the context of next year's tariff case (*cause tarifaire 2008*).

Would you kindly forward this submission to the commissioners of the Régie who are seized with Hearing R-3640.

We look forward to your response and invite you to contact the undersigned for further information or clarification.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. Keating", is written over a horizontal line.

JIM KEATING.
Vice President, Business Development

Enclosures