

August 31, 2001

G. Cheryl Blundon
Board Secretary
Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, NF
A1A 5B2

Dear Ms. Blundon:

Re: Newfoundland & Labrador Hydro's 2001 General Rate Application

Attached please find an original plus seventeen (17) copies of the following:

- 1) a **revised** response to Request for Information (RFI) IC-18 (Rev). This revision is in response to an application to the Board by Industrial Customers as a means of meeting the requirements of this request. It includes:
 - (a) 1999 Actual (Rev) - Generic Methodology (Attached)
 - (b) 2002 Test Year - Generic Methodology (Attached)
- 2) Hydro's Requests for Information NLH-90 and NLH-91.

Yours truly,

Newfoundland and Labrador Hydro

Maureen P. Greene, Q.C.
Vice-President & General Counsel

MPG/jc

cc: Gillian Butler, Q.C. and Peter Alteen
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55 Kenmount Road
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Mr. Edward M. Hearn, Q.C.
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Mr. Dennis Peck
Director of Economic Development
Town of Happy Valley-Goose Bay
P.O. Box 40, Station B
Happy Valley-Goose Bay
Labrador, NF
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- 1 Q. Provide a Table which shows the following for each of the years 1994 - 2000
2 inclusive assuming the implementation of the Cost of Service Methodology
3 approved in the Public Utility Board 1993 Report (where the vertical axis
4 represents the years and the horizontal axis the following data):
- 5 1. the demand rate which would have been charged the Industrial
6 Customers for firm power and for each class of non-firm service;
 - 7 2. the energy rate which would have been charged the Industrial
8 Customers for firm power and for each class of non-firm service and
9 for wheeling;
 - 10 3. the Specifically Assigned Charges which would have been charged
11 Industrial Customers, and the total for all Industrial Customers;
 - 12 4. the total number of kWh sold to the Industrial Customers for those
13 years for firm power and for each class of non-firm service and for
14 wheeling;
 - 15 5. the total dollar amount which would have been billed to the Industrial
16 Customers in those years, exclusive of sales tax, for firm power and
17 for each class of non-firm service and for wheeling (indicate subtotals
18 for each class of service and overall total);
 - 19 6. the average cost per kilowatt hour which would have resulted;
 - 20 7. the total dollar amount which was billed to Industrial Customers;
 - 21 8. the average cost per kilowatt hour which was billed to Industrial
22 Customers;
 - 23 9. the difference between (5) and (7).
- 24
- 25 A. In response to an Application to the Board by Industrial Customers, Hydro
26 will file the following Cost of Service Studies as a means of meeting the
27 requirements of this request:

1 (a) 1999 Actual (Rev) - Generic Methodology (Attached)

2 (b) 2002 Test Year - Generic Methodology (Attached)

3

4 The following will be filed as per the agreement reached with Industrial
5 Customers as outlined at the August 29th, 2001 meeting with the Public
6 Utilities Board:

7 (c) 2000 Actual – Interim Methodology

8 (d) 2000 Actual – Generic Methodology

9 (e) 1997 Actual – Interim Methodology

10 (f) 1997 Actual – Generic Methodology

11 (g) 2001 Forecast – Interim Methodology

12 (h) 2001 Forecast – Generic Methodology

13

14 The terminology used by Hydro when referring to Cost of Service
15 methodologies is as follows:

16 **Interim Methodology** – Methodology as approved in the PUB report
17 dated April 13, 1992. Recommendation 11 of that report states that
18 “Hydro’s proposed cost of service methodology be used until it is
19 examined more fully at another hearing”.

20 **Generic Methodology** – Methodology as approved in the PUB report
21 dated February, 1993. Recommendation 26 of that report states
22 “That the cost of service methodology recommended herein be
23 adopted by Hydro for the purpose of its next rate referral”.

24 **Proposed Methodology** – Methodology as contained in the Cost of
25 Service Study in the pre-filed evidence of Mr. John Brickhill, Exhibit
26 JAB-1. The proposed methodology is based on the generic
27 methodology adjusted as outlined in the written testimony of Mr.
28 Brickhill.

IN THE MATTER OF *The Public Utilities Act*,
R.S.N., 1990, c. P-47 (the "Act")

AND IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro for approvals
of (1) Under Section 70 of the Act, changes in the
rates to be charged for the supply of power and
energy to its Retail Customer, Newfoundland
Power, its Rural Customers and its Industrial
Customers; (2) Under Section 71 of the Act, its
Rules and Regulations applicable to the supply of
electricity to its Rural Customers; (3) Under
Section 71 of the Act, the contracts setting out
the terms and conditions applicable to the supply
of electricity to its Industrial Customers; and (4)
Under Section 41 of the Act, its 2002 Capital Budget

Requests for Information

NLH-90 to NLH-91

**(Filed pursuant to ss. 14 and 17 of the *Board of
Commissioners of Public Utilities Regulations, 1996*)**

Newfoundland & Labrador Hydro, Applicant

August 31, 2001

Newfoundland & Labrador Hydro (“Hydro”) 2001 General Rate Review

**Requests for Information from Hydro
To Labrador City**

Mark Drazen

NLH-90 Provide the date, company, and regulatory jurisdiction(s) in Canada in which Mr. Drazen presented testimony that the interest expense should be included in the lead/lag study, and the corresponding decisions on the issue.

Newfoundland & Labrador Hydro (“Hydro”) 2001 General Rate Review

Requests for Information from Hydro To Newfoundland Power

Larry Brockman

NLH-91 The Newfoundland Power Energy Supply Forecast (dated 2000 08 25) was used to derive forecast system sales and load as found in Schedule V of H.G. Budgell’s prefiled testimony. Please provide this Energy Supply Forecast and all supporting documentation of the forecast of monthly ‘Peak MW’ as presented in the table labeled ‘Purchase Forecast By Months’. Also, please provide a table detailing Newfoundland Power’s peak demand at each of Newfoundland and Labrador Hydro’s maximum monthly peaks for 1992-2000 as provided in NP-157. The table should include the corresponding demand purchases from Hydro as well as Newfoundland Power’s own generation in megawatts.