IN THE MATTER OF the

Public Utilities Act, (R.S.N. 1990, Chapter P-47(the "Act")

AND,

IN THE MATTER OF a General Rate Application (the "Application") by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to its Rural Customers.

INFORMATION REQUESTS

PUB 112 NLH – 171 NLH

Mr. Robert D. Greneman's Evidence:

PUB 112 NLH. Please provide the electronic version of all files and worksheets, formulas intact, used to perform the cost of service study.

PUB 113 NLH. Please restate Exhibit RDG-1 Schedule 1.2 (2004 Forecast Cost of Service Comparison of Revenue & Allocated Revenue Requirement) to show sufficient detail as to identify billing determinants by specific rate class. In other words, please provide a breakdown of rate classes by the "C", "D", "G", "H", "HV", "S", and "W" suffixes.

PUB 114 NLH. Within the restated Schedule 1.2 provided in **PUB 113 NLH**, please expand column 2 to provide the following information: (i) Revenues on Proposed Rates, May 21, 2003 application, (ii) Revenues on Proposed Rates, August 8, 2003 application, and (iii) Revenues on Current Rates

PUB 115 NLH. Please restate Exhibit RDG-1 Schedule 1.3.2 (2004 Forecast Cost of Service Demands, Sales, & Number of Bills) to show sufficient detail as to identify billing determinants by specific rate class. In other words,

please provide a breakdown of rate classes by the “C”, “D”, “G”, “H”, “HV”, “S”, and “W” suffixes.

PUB 116 NLH. On page 3 of Mr. Greneman’s Evidence, he referred to the functionalization of transmission lines that are functionalized as generation. Please provide all studies, documents and worksheets used to determine the treatment of these transmission lines and provide a discussion of the criteria used to determine if transmission facilities are generation related.

PUB 117 NLH. Please provide all studies, documents, data, calculations and workpapers used in the zero-intercept analysis for the five systems used to determine the functionalization and classification ratios in Schedule 4.1, lines 29 - 41 of Exhibit RDG-1.

PUB 118 NLH. Please provide all studies, documents, data, calculations and workpapers used developing the customer allocation factors referenced on page 10 and shown on Schedule 3.1 (A, B, C, D & E) of Exhibit RDG-1.

PUB 119 NLH. Please provide all studies, documents, data, calculations and workpapers used developing the Revenue allocation factors referenced on page 10 and shown on Schedule 3.1 (A, B, C, D & E) of Exhibit RDG-1.

PUB 120 NLH. Please provide all studies, documents, data, calculations and workpapers used to determine transmission losses, primary distribution losses and secondary distribution losses for all five systems in the COS as referenced on pages 8 and 9.

PUB 121 NLH. Please provide all studies, documents, data, calculations and workpapers used to determine the sub-function percentage in column 2, lines 30-31 and 34-36 of schedule 4.1 of Exhibit RDG- 1.

PUB 122 NLH. Please provide a description and justification of the ratios provided in schedule 4.1 lines 30-41 of Exhibit RDG- 1.

PUB 123 NLH. Please list any difference in the basis of functional classification between schedule 2.2 (A, B, C, D & E) and schedule 2.3 (A, B, C, D & E) of Exhibit RDG- 1. For each of these differences, please provide the justification.

PUB 124 NLH. Please provide all studies, documents, data, calculations and workpapers used to determine the A&G sub-functions in lines 17 through 28 of schedule 2.4 (A, B, C, D & E) of Exhibit RDG- 1.

PUB 125 NLH. On page 9 of Mr. Greneman's Evidence, he states "The demands used in the study were developed with the support of updated load data from other northern climate electric utilities in North America." Please provide all data, including the source, obtained from these other utilities. Please discuss how data from other utilities is applicable to Hydro.

PUB 126 NLH. On page 9 of Mr. Greneman's Evidence, it is stated that the level of diversity at each voltage level was recognized. Please provide the methodology used to incorporate diversity into the demand allocation factors.

PUB 127 NLH. Referring to page 9, please provide the load factors, coincident factors and non-coincident factors used to determine demand for all rate classes and systems. Please provide the source for this data as well.

PUB 128 NLH. Please list any difference in the basis of functional classification between schedule 2.2 (A, B, C, D & E) and schedule 2.5 (A, B, C, D & E) of Exhibit RDG- 1. For each of these differences, please provide the justification.

PUB 129 NLH. Please list any difference in the basis of functional classification between the 5 systems. For each of these differences, please provide the justification.

PUB 130 NLH. Please provide all studies, documents, data, calculations and workpapers used developing the Allocation of Specifically Assigned Amounts and ratios shown on Schedule 3.3 of Exhibit RDG-1.

PUB 131 NLH. Please provide a description of each of the power purchase contracts applicable to the five systems. This would include a description of the resources that provide the power, non-confidential contract terms, a description of pricing design (energy and demand cost or only energy) and a description of the dispatching requirements (called upon as needed or take and pay).

Mr. Sam Banfield's Evidence

PUB 132 NLH. Please provide the electronic version of all files and worksheets, formulas intact, used to design rates.

PUB 133 NLH. For all demand metered rate classes not impacted by the lifeline block and rural subsidy policy, please describe the process used to develop the relative weighting of demand, energy, and monthly charges found in rates. Please include a discussion of the contributing role (if any) in rate design of the demand, energy, and customer related costs allocated to the respective rate classes in the cost of service study.

PUB 134 NLH. For all non-demand metered rate classes not impacted by the lifeline block and rural subsidy policy, please describe the process used to develop the relative weighting of energy and monthly charges found in rates. Please include a discussion of the contributing role (if any) in rate design of the demand, energy, and customer related costs allocated to the respective rate classes in the cost of service study.

PUB 135 NLH. Please provide a discussion of the intentions and objectives of a blocked energy rate set at the first 150 kWh per kW of billing demand for rate schedules 2.2D, 2.2F, and 2.2H.

PUB 136 NLH. Please confirm it is still Hydro's intention to phase out blocked energy rates for rate schedules 2.2D, 2.2F, and 2.2H by January 1, 2006.

PUB 137 NLH. Please provide the justification and / or rationale for phasing out the blocked energy rate referred to in **PUB 136 NLH** over three years rather than immediately (or some other length of time)

PUB 138 NLH. Please explain why the price of the second energy block is greater than the first energy block for rate schedules 2.2D and 2.2H, while the reverse is true for 2.2F.

PUB 139 NLH. On its rate schedules, Hydro offers a discount to customers who pay within 10 days of the invoice. Please provide a discussion as to how Hydro accounts for early payment discounts within its revenue requirement. In other words, how does Hydro ensure it does not under collect its revenue requirement in the hypothetical situation where all customers pay within 10 days?

PUB 140 NLH. How does Hydro ensure in its cost of service analysis that early payment customers (referred to in **PUB 139 NLH**) are not allocated incremental working capital costs caused by customers who do not qualify for the early payment discount?

PUB 141 NLH. From the perspectives of cost causation and administrative efficiency, please provide a discussion of the pros and cons of (i) the policy of a discount for customers who pay within 10 days, versus (ii) a policy of imposing a penalty for customers who pay after 10 days.

PUB 142 NLH. Besides cost causation and administrative efficiency, does Hydro believe that the Board should consider any other principles when considering the alternatives in referred to in **PUB 141 NLH**?

PUB 143 NLH. Please describe in detail the type of service provided to a customer on the Industrial Non-Firm rate schedule from both an operational perspective as well as in terms of rights and obligations.

PUB 144 NLH. Please discuss the general methodology used to calculate the rate schedule for Industrial Non-Firm Service. In particular, what are the similarities and differences between the generation, wires, retail, and

other general costs allocated to this rate class compared to the Industrial Firm Service rate class?

PUB 145 NLH. Please describe the general methodology used to calculate the energy source conversion factors used in the Industrial Non-Firm rate schedule. For each conversion factor, please include a breakdown of (i) fixed and / or capital costs, (ii) long run incremental costs, (iii) short run incremental costs, (iv) other retail or general costs.

PUB 146 NLH. Please describe in detail the type of service provided to a customer on the Industrial Wheeling rate schedule from both an operational perspective as well as in terms of rights and obligations.

PUB 147 NLH. Please discuss the general methodology used to calculate the rate for the Industrial Wheeling rate class

PUB 148 NLH. Supposing that Hydro and NP were an integrated utility, would Hydro have employed a different strategy over the past decade to pass through a demand price signal to NP customers? If so, how would Hydro's strategy be different? If not, why not? (Reference Section 2, page 3)

PUB 149 NLH. Please identify from Hydro's perspective, all conditions and requirements that would need to be satisfied in order for Hydro to immediately implement the recommended demand price signal described in the Stone & Webster evidence. (Reference Section 2, page 3)

PUB 150 NLH. If all the conditions and requirements listed in **PUB 149 NLH** were satisfied, what would be the 2004 rate schedule for NP? Please identify all assumptions used to arrive at a demand-based rate schedule. (Reference Section 2, page 3)

PUB 151 NLH. If all the conditions and requirements listed in **PUB 149 NLH** were satisfied, please provide Hydro's estimation of a reasonable band of possible forecast variances on billing determinants resulting from the

implementation of demand based rates (i.e. ±10%). (Reference Section 2, page 3)

PUB 152 NLH. If all the conditions and requirements listed in **PUB 149 NLH** were satisfied, please quantify the potential dollar impact on Hydro's return and revenue requirement in the event that either the upper or lower bound reported in **PUB 151 NLH** is realized.

PUB 153 NLH. In consideration of your response to **PUB 152 NLH**, please quantify Hydro's opinion of adjustments (if any) to equity rate of return that it would consider appropriate in exchange for the increased (if any) risk.

PUB 154 NLH. Please compare and contrast the forecast variance risk Hydro faces in providing service to Industrial customers versus the forecast variance risk of serving NP customers (assuming all the conditions and requirements listed in **PUB 149 NLH** were satisfied and Hydro implements a demand based rate structure).

PUB 155 NLH. Please restate Table 8 on page 19 (Comparison of Revenue Based on Existing and Proposed Rates) to show sufficient detail as to identify revenues by specific rate class. In other words, please provide a breakdown of rate classes by the "C", "D", "G", "H", "HV", "S", and "W" suffixes.

PUB 156 NLH. Is Hydro proposing a method that is consistent to NP's for calculating service and connection fees, or is it accepting NP's actual service and connection fees? (Reference Section 7, page 22)

If the answer is "yes", please provide a justification and breakdown of the proposed $8.00 service fee into (i) directly attributable costs, and (ii) allocated or assigned costs.

If the answer is "no", please provide a discussion to justify why Hydro should rely on another utility's cost's structure to set its own schedule of service and connection fees.

PUB 157 NLH. Please provide Hydro's complete Rules and Regulations referred to in page 22

PUB 158 NLH. Please provide a list of all other service and connection fees not appearing in Hydro's Rules and Regulations.

PUB 159 NLH. For all service and connection fees described in **PUB 157 NLH** and **PUB 158 NLH**, please describe the specific customer charge or rate as well as the basis (cost or otherwise) for that rate.

PUB 160 NLH. Please provide a copy of Hydro's bad debt policy. If applicable, please also provide a discussion of any relationships to the rural subsidy.

PUB 161 NLH. Please provide a copy of Hydro's Investment / Customer Contribution Policy (i.e. the policy that determines "Contributions in Aid of Construction"). Please also provide a copy of any literature made available to customers on this subject.

Province of Newfoundland and Labrador Orders in Council (Excerpts distributed by the Board July 16, 2003)

Preamble: "the Lieutenant Governor in Council hereby directs the Board of Commissioners of Public Utilities to: i) continue to charge fish plants in diesel-serviced communities and with demand of 30 kilowatts or more the Island interconnected electricity rate" (Orders in Council)

PUB 162 NLH. Please provide the total number of Fish Plant customers served by Hydro in diesel communities. If applicable, please provide the breakdown of customers in each the three isolated systems.

PUB 163 NLH. Of the number of Fish Plants reported in a), please provide the number of customers with (1) a peak demand less than 10 kW, (2) a peak demand between 10 kW and 30 kW, and (3) a peak demand greater than 30 kW

PUB 164 NLH. For each of the three categories in **PUB 163 NLH**, please provide the average monthly kWh. If consumption is seasonal, please provide your response in terms of on and off-season average monthly consumption.

PUB 165 NLH. If there exists Fish Plant customers with peak demand less than 10 kW, please clarify the rate code under which these customers receive service

PUB 166 NLH. (If applicable) If there exists Fish Plants with a peak demand greater than 10 kW but less than 30 kW (i.e. qualify for rate code 2.2F, but are not referenced in the Orders in Council), does Hydro propose to create a new rate class for these customers?

PUB 167 NLH. In light of the Orders in Council, does Hydro intend to modify the definition of Rate 2.2F to apply to customers with a peak demand greater than 30 kW?

Preamble: "the Lieutenant Governor in Council hereby directs the Board of Commissioners of Public Utilities to: iv) proceed…with implementation of a demand/energy rate structure for general service (commercial) customers in diesel communities…While the rate changes can include elimination of the lifeline block for these general service customers, the new rates should target the current cost recovery level for these customers" (Orders in Council)

PUB 168 NLH. Does Hydro still intend to eliminate the lifeline block for customers referred to in the above policy direction?

PUB 169 NLH. If the answer to **PUB 168 NLH** is "yes", does Hydro propose to maintain "current cost recovery level for these customers" by maintaining current existing rate revenues, current revenue to cost ratios, or some other measure? If the answer to a) is "no", please explain Hydro's rationale.

Preamble: "the Lieutenant Governor in Council hereby directs the Board of Commissioners of Public Utilities to: vii) continue to charge the preferential electricity

rates historically charged to provincial government facilities, including schools, health facilities and government agencies, in rural isolated diesel serviced communities and the Burgeo school and library" (Orders in Council)

PUB 170 NLH. Does Hydro propose to maintain current existing preferential rates or instead to maintain the current method for calculating preferential rates, or some other measure? Please discuss the reasons behind Hydro's intentions.

Evidence of Kathleen McShane

PUB 171 NLH. Please provide a complete copy of the evidence filed by Ms. McShane, including any responses to IRs authored by her, from the last two COC hearings Ms. McShane appeared in prior to this rate application.

DATED at St. John's, Newfoundland this 22nd day of July 2003.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per _____
Mark Kennedy
Board Hearing Counsel