

February 26, 2016

Ms. G. Cheryl Blundon  
Board of Commissioners of Public Utilities  
120 Torbay Road, P.O. Box 12040  
St. John's, NL A1A 5B2

Dear Ms. Blundon:

**Re: Newfoundland Power 2016-2017 General Rate Application  
Requests for Information**

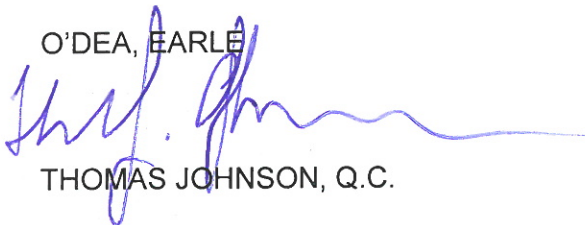
In relation to the above noted application please find enclosed one (1) original and twelve (12) copies of the Consumer Advocate's Requests for Information numbered CA-PUB-01 to CA-PUB-09.

A copy of this correspondence, together with the enclosures, has been forwarded directly to the parties listed below.

We trust the foregoing is found to be in order.

Yours very truly,

O'DEA, EARLE



THOMAS JOHNSON, Q.C.

TJ/cel  
Encl.

cc: Newfoundland & Labrador Hydro  
Attention: Geoffrey P. Young, Senior Legal Counsel

Newfoundland Power  
Attention: Peter Alteen, Q.C.

Curtis, Dawe  
Attention: Ian F. Kelly, Q.C.

**IN THE MATTER OF**

the *Public Utilities Act*, R.S.N.L. 1990,  
Chapter P-47 (the “*Act*”), as amended;

**AND**

**IN THE MATTER OF**

A General Rate Application (the “Application”)  
by Newfoundland Power Inc. (“Newfoundland Power”)  
to establish customer electricity rates for 2016 and 2017.

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**CONSUMER ADVOCATE  
REQUESTS FOR INFORMATION  
CA-PUB-01 to CA-PUB-09  
Issued: February 26, 2016**

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1 CA-PUB-01 Reference: On page 47 Grant Thornton explains the recalculation  
2 of income tax expense and indicates that income before tax was  
3 \$53.422 million in 2013 and \$56.030 million in 2014. Please  
4 recalculate the interest coverage ratios shown in Table 14 on page  
5 25 with this data and explain why the interest coverage ratio was  
6 reported in Table 14 with the different amounts of \$47.043 million  
7 in 2013 and \$48.635 million in 2014.  
8

9 CA-PUB-02 Reference: On page 47 Grant Thornton explains the recalculation  
10 of income tax expense and indicates that income before tax was  
11 \$53.422 million in 2013 and \$56.030 million in 2014. Please  
12 explain what recalculations Grant Thornton made on page 47,  
13 showing the interest coverage ratio that results, both before and  
14 after, with a full explanation of income before tax, income tax,  
15 interest charges and net income.  
16

17 CA-PUB-03 Reference: On page 47 Grant Thornton explains the recalculation  
18 of income tax expense and indicates that income before tax was  
19 \$53.422 million in 2013 and \$56.030 million in 2014. Please  
20 explain the details on any tax sharing agreements that NP has with  
21 its ultimate parent Fortis, if any, and whether there is any impact  
22 on the actual amount of income tax paid.  
23

24 CA-PUB-04 Reference: Grant Thornton Report - page 25 – Table 14: Please  
25 provide the exact numbers used to calculate the Interest coverage  
26 ratios as presented in Table 14 on page 25 for 2013, 2014, 2015,  
27 2016 (E and P) and 2017 (E and P).  
28

29 CA-PUB-05 Reference: Grant Thornton Report - page 25 – Table 14: Please  
30 explain why the Income before taxes figures presented here are all  
31 different than those presented on page 1 of Exhibit 3 of NP's

evidence, and recalculate the interest coverage ratios (showing all numbers used) as appropriate.

CA-PUB-06

Reference: Grant Thornton Report - page 22 – Table 12: Please provide all of the actual numbers used to calculate all of the ratios presented in Table 12.

CA-PUB-07

Reference: Grant Thornton Report - page 23 – Table 13: Please provide all of the actual numbers used to calculate the return on average common equity and return on average rate base for each year presented in Table 13.

CA-PUB-08

Reference: Grant Thornton Report - page 35 – Table 19. Please provide all of the numbers used to calculate all of the Gross Operating Expenses and Net Operating Expenses figures provided in Table 19.

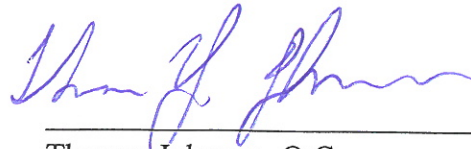
CA-PUB-09

Reference: Grant Thornton Report - page 35 – Table 19. Please reconcile the figures for Gross Operating Expenses and Net Operating Expenses provided in Table 19 with the expense figures provided in NP's evidence as referenced below:

(i) lines 13-16 on page 1 of Exhibit 5.

(ii) lines 16-18 on page 1 of Exhibit 3.

Dated at St. John's in the Province of Newfoundland and Labrador, this 26<sup>th</sup> day of February, 2016.



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Thomas Johnson, Q.C.

Consumer Advocate

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St. John's, NL A1C 5X4

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