



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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2018-12-06

Ms. Shirley Walsh
Senior Legal Counsel - Regulatory
P. O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Walsh:

Re: Newfoundland and Labrador Hydro - 2017 General Rate Application - Requests for Information

Enclosed are requests for information PUB-NLH-175 to PUB-NLH-187 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland & Labrador Hydro**
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NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
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Labrador Interconnected Group
Mr. Senwung Luk, E-mail: sluk@oktlaw.com

1 **IN THE MATTER OF**
2 the *Electrical Power Control Act, 1994*,
3 SNL 1994, Chapter E-5.1 (the “*EPCA*”)
4 and the *Public Utilities Act*, RSNL 1990,
5 Chapter P-47 (the “*Act*”), as amended; and
6
7 **IN THE MATTER OF** a General Rate
8 Application by Newfoundland and Labrador
9 Hydro to establish customer electricity rates
10 for 2018 and 2019.
11

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-175 to PUB-NLH-187

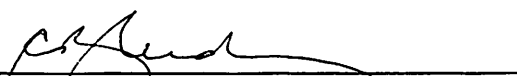
Issued: December 6, 2018

- 1 **2018 Cost Deferral and Interim Rates Evidence - Revision 2, dated November 14, 2018**
2
3
- 4 **PUB-NLH-175** Evidence, Schedule 1, page 4 of 81, lines 20-21 - Hydro assumed an increase
5 in off-island purchases over the LIL beginning in December, 2018 with a
6 commissioning date of January 1, 2019. Please provide the most current status
7 of the LIL, including whether it is still forecast to be commissioned on January
8 1, 2019, and if it isn't, state the current forecast date for commissioning.
9
- 10 **PUB-NLH-176** Further to PUB-NLH-175 and Table 1, Evidence, Schedule 1, page 7 of 81 -
11 Provide revised Tables 1, 2 and 3 to reflect the current forecast of off-island
12 purchases for 2018, a revised forecast of off-island purchases for 2019 if
13 required, and updated net savings for 2018 and 2019. Also provide an estimate
14 of the costs forecast to be deferred in 2018 and 2019 in the Energy Supply Cost
15 Variance Account resulting from the changes in off-island purchases provided
16 in the response to this question.
17
- 18 **PUB-NLH-177** Evidence, Schedule 1, page 6 of 81, lines 9-11 - Tacora recently announced
19 the re-opening of the Wabush Mines facility in 2019. What is the 2019 forecast
20 load for this facility and how will the re-opening affect the 2019 off-island
21 purchases forecast in Table 1?
22
- 23 **PUB-NLH-178** Evidence, Schedule 1, page 6 of 81, lines 16-22 - It is stated that Hydro has
24 updated its capacity assistance cost forecast for 2019 to reflect new agreements
25 for the 2018/2019 winter season. Appendix H to Schedule 1 which sets out
26 Hydro's revised proposals, at page 69 of 81, section (10) asks the Board to
27 approve section 22 of the Settlement Agreement which removed capacity
28 assistance costs from the 2019 revenue requirement. Please clarify whether
29 Hydro is proposing to amend the 2019 revenue requirement to include the new
30 costs and state the amount of such 2019 costs if Hydro proposes to recover
31 them in the 2019 revenue requirement.
32
- 33 **PUB-NLH-179** Evidence, Schedule 1, page 5 of 81, lines 19-20 - Hydro stated that it has also
34 updated its diesel and gas turbine fuel price forecast to reflect the September
35 2018 forecast for the 2019 fuel price. Please provide this updated fuel price
36 forecast and explain its impact on the 2018 Test Year and 2019 Test Year.
37
- 38 **PUB-NLH-180** Evidence, Schedule 1, page 13 of 81, Table 4 and page 16 of 81, Table 6 - The
39 2018 and 2019 revenue deficiencies shown in Table 4 are \$7.3 million and
40 \$9.7 million. The total amount for the deficiencies in 2018 and 2019 are shown
41 in Table 6 to be \$14 million. Please reconcile the total deficiency amount from
42 Table 4 of \$17.0 million with the \$14 million in Table 6.
43
- 44 **PUB-NLH-181** Further to PUB-NLH-180 - Hydro is not seeking approval to establish a
45 deferral account for the 2018 revenue deficiency, (other than for the 2018
46 depreciation expense differential between the current methodology and that
47 accepted in the settlement agreement), while in previous proceedings it has
48 requested approval for deferral accounts for deficiencies. Please explain why

- 1 Hydro is not asking approval for a deferral account for the 2018 deficiency and
 2 what the accounting treatment will be for this deficiency. In the response
 3 explain whether the same rationale exists for the 2018 expenses associated
 4 with the Business Systems Transformation Project.
 5
- 6 **PUB-NLH-182** Evidence, Schedule 1, page 15 of 81, lines 4-7 - Hydro is proposing to recover
 7 the Deferred Supply Costs and the 2018 and 2019 revenue deficiencies over a
 8 20-month recovery period beginning with the effective date of the 2017 GRA
 9 rates which Hydro now proposes be July 1, 2019. Has Hydro considered
 10 whether this 20 month period is still appropriate given the delay in the date for
 11 implementation of new rates?
 12
- 13 **PUB-NLH-183** Evidence, Schedule 1, page 18 of 81, lines 26-27 - Provide the impacts on the
 14 2019 revenue deficiency and on customer rates if the date for implementation
 15 of new rates is (i) September 1, 2019 and (ii) October 1, 2019 and not July 1,
 16 2019.
 17
- 18 **PUB-NLH-184** Evidence, Schedule 2, page 9 of 9 - Provide a revised Schedule 2 which reflects
 19 the most current 2018 financial forecast results incorporating actuals to the
 20 latest month available. In the response provide explanations of any significant
 21 variance from the forecast in Schedule 2, page 9 of 9 dated November 14,
 22 2018.
 23
- 24 **PUB-NLH-185** Please confirm that the revised proposals in Appendix H to Schedule 1 set out
 25 all matters that Hydro is requesting the Board now approve in the 2017 GRA.
 26
- 27 **PUB-NLH-186** Provide the number of FTE vacancies as of the end of November, 2018 and
 28 the current forecasts for 2018 and 2019.
 29
- 30 **PUB-NLH-187** Provide a revised Schedule 3-IX of Operating Costs from the 2017 Amended
 31 General Rate Application including 2017 Actuals and the most current forecast
 32 for 2018 and 2019, including actuals to the latest month available. In the
 33 response provide explanations of significant variances between the 2018 Test
 34 Year in the existing schedule compared to the most current forecast for 2018
 35 Operating Costs, as well as the differences between the 2019 Test Year and
 36 the revised 2019 Operating Costs forecast.

DATED at St. John's, Newfoundland this 6th day of December, 2018.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
 Cheryl Blundon
 Board Secretary