



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
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2017-10-23

Ms. Tracey Pennell
Senior Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7


Dear Ms. Pennell:

Re: Newfoundland and Labrador Hydro - 2017 - Application for the Recovery of the 2015 and 2016 Balances in the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account and the Holyrood Conversion Rate Deferral Account - Requests for Information

Enclosed are Information Requests PUB-NLH-001 to PUB-NLH-009 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 telephone (709) 726-6781.

Yours truly,


Cheryl Blundon
Board Secretary

CB/cj

Enclosure

ecc **Newfoundland & Labrador Hydro**
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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 regulations thereunder; and
7

8 **IN THE MATTER OF**
9 an Application by Newfoundland and Labrador Hydro
10 for the recovery of the balances in: i) the Isolated Systems
11 Supply Cost Variance Deferral Account; ii) the Energy
12 Supply Cost Variance Deferral Account; and iii) the
13 Holyrood Conversion Rate Deferral Account, pursuant to
14 Sections 70(1) and 80 of the Act.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-009

Issued: October 23, 2017

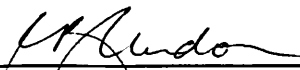
- 1 **PUB-NLH-001** When does Hydro require final approval of this Application?
2
- 3 **PUB-NLH-002** Explain why it is necessary for the Board to address recovery of the 2015 and
4 2016 deferred supply costs balances in isolation of the 2017 General Rate
5 Application.
6
- 7 **PUB-NLH-003** Provide the estimated year-end RSP Hydraulic Variation Account balance for
8 2018 and 2019 based on the following scenarios:
9 i) Proposal to transfer the net deferred supply cost balances to the RSP
10 Hydraulic Variation Account is denied and Hydro experiences average
11 reservoir in-flows for the balance of 2017 to the end of 2019;
12 ii) Proposal to transfer the net deferred supply cost balance to the RSP
13 Hydraulic Variation Account is denied and Hydro experiences a firm
14 water cycle beginning in 2017 to the end of 2019;
15 iii) Proposal to transfer the net deferred supply cost balance to the RSP
16 Hydraulic Variation Account is approved and Hydro experiences
17 average reservoir in-flows for the balance of 2017 to the end of 2019;
18 and
19 iv) Proposal to transfer the net deferred supply cost balance to the RSP
20 Hydraulic Variation Account is approved and Hydro experiences a firm
21 water cycle beginning in 2017 to the end of 2019.
22
- 23 **PUB-NLH-004** Provide the year-end balance in the RSP Hydraulic Variation Account
24 account for each of the last 25 years.
25
- 26 **PUB-NLH-005** Explain in detail the basis for Hydro using funds in the RSP Hydraulic
27 Variation Account to offset rate increases not related to hydrology.
28
- 29 **PUB-NLH-006** Provide regulatory precedents for approval of placing a deferral account in a
30 negative position and using the account to recover a separate unrelated
31 deferral account balance.
32
- 33 **PUB-NLH-007** Provide the estimated rate impact for all customers under each of the
34 following scenarios to recover the net deferred supply cost balance:
35 i) Full balance recovered through a rate rider;
36 ii) Using 25% of RSP Hydraulic Variation Account credit balance + rate
37 rider;
38 iii) Using 50% of RSP Hydraulic Variation Account credit balance + rate
39 rider;
40 iv) Using 75% of RSP Hydraulic Variation Account credit balance + rate
41 rider; and
42 v) Using 100% of RSP Hydraulic Variation Account credit balance + rate
43 rider.
44
- 45 **PUB-NLH-008** The 2018 fuel price projection of \$63.75 Cdn \$/bbl filed with the Board on
46 October 16, 2017 indicates a lower price for No. 6 fuel than Hydro used in its

1 2018 Test Year Revenue Requirement. This lower price could significantly
2 reduce the interim rate increase proposed for 2018. Explain how this reduced
3 rate increase for 2018 should be taken into account in considering Hydro's
4 proposals to use the RSP Hydraulic Variation Account to recover supply cost
5 balances as proposed in this Application.

6
7 **PUB-NLH-009** Given the magnitude of the proposed rate increases, does Hydro continue to
8 believe that it is appropriate to credit the savings allocated to the Labrador
9 Interconnected system to Hydro's net income?

DATED at St. John's, Newfoundland this 23rd day of October, 2017.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 

Cheryl Blundon
Board Secretary