

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,
6 and regulations thereunder; and

7 **IN THE MATTER OF** an Application
8 by Newfoundland and Labrador
9 Hydro for
10 approval of changes to various
11 deferral account definitions, approval
12 of changes to the rules and
13 regulations applicable to the Rate
14 Stabilization Plan, and other matters
15 reflecting the determinations set out
16 in Board Order No. P.U. 33(2021).

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**ISLAND INDUSTRIAL CUSTOMER GROUP
REQUESTS FOR INFORMATION**

IC-NLH-001

Issued February 3, 2022

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IC-NLH-0001

NLH's proposals with respect to the RSP Hydraulic provision (pdf page 31) include collection of 25% of the October 31, 2021 balance in each of the next 4 years, assigned to the each of the customer groups (NP, IIC, Rural) based on 12 months-to-date energy consumption up to October 31, 2021. This proposal appears to be intended to lead to riders that would be recalculated each year per Section C based on the then-current load (pdf page 33).

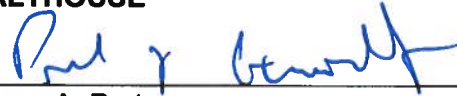

The existing hydraulic balance is a continuing account that incorporates the impacts of water flow variations from all past years of the RSP (with recent years being relatively more important to the balance than distant past years, but with all years still being amortized on a declining balance basis). For this reason, there would seem to be no direct linkage between the November 1, 2020 to October 31, 2021 loads and the full balance as of October 31, 2021.

Please provide NLH's comments on an alternative that crystallizes the entire October 31, 2021 hydraulic balance in a single account which would be collected back from IIC and NP customers via a single rider per kW.h applied for an estimated 48 months (i.e., the rider would be fixed at the outset and the termination of the collection would occur once the entire balance, plus interest, had been collected). The rider might vary slightly between IIC and NP to address the Rural share, but otherwise once fixed, the riders would remain in place until the entire balance is collected.



Please ensure Hydro's response addresses the issues of: fairness in allocation to customers; risk to Hydro and customers; impacts of potential unexpected load changes for either IIC or NP; and impacts on rate certainty and clarity.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 3rd day of February, 2022.

POOLE ALTHOUSE

Per: 
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COX & PALMER

Per: 
 Denis J. Fleming

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