

Office of the Consumer Advocate

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October 27, 2021

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of
Corporate Services / Board Secretary**

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro - 2022 Capital Budget Application

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NLH-070 to CA-NLH-077.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience

Yours truly,


Dennis Browne, Q.C.

Encl.
/bb

cc **Newfoundland & Labrador Hydro**
Shirley Walsh (ShirleyWalsh@nlh.nl.ca)
NLH Regulatory (NLHRegulatory@nlh.nl.ca)

Newfoundland Power Inc.
Dominic Foley (dfoley@newfoundlandpower.com)
NP Regulatory (regulatory@newfoundlandpower.com)
Lindsay Hollett (lholllett@newfoundlandpower.com)

Board of Commissioners of Public Utilities
PUB Official Email (ito@pub.nl.ca)
Jacqui Glynn (jglynn@pub.nl.ca)

Industrial Customers Group
Paul Coxworthy (pcoxworthy@stewartmckelvey.com)
Dean Porter (dporter@poolealthouse.ca)
Denis Fleming (dfleming@coxandpalmer.com)

IN THE MATTER OF the *Public Utilities Act*,
RSNL 1990, (the “Act”); and

IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro (“Hydro”)
for an Order approving: (i) its 2022 capital
budget pursuant to Section 41(1) of the Act;
(ii) its 2022 capital purchases and construction
projects in excess of \$50,000.00 pursuant to
Section 41(3)(a) of the Act; and (iii) for an Order
pursuant to Section 78 of the Act fixing and
determining its average rate base for 2020

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NLH-070 to CA-NLH-077**

Issued: October 27, 2021

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- 1 CA-NLH-070 (Reference CA-NLH-001) The response shows that the Board has approved the full
2 capital budget amount proposed by Hydro in only one (2009) of the past 15 years
3 (2007 through 2021). For each of the 14 years that the Board did not approve the
4 proposed capital budget amount, please provide a summary table showing the year,
5 the dollar amount denied by the Board, a description of the project(s) that were
6 denied by the Board (in part or in full), the reasons given by the Board for the project
7 denial, and the reason Hydro had proposed the project. More specifically, please
8 explain if Hydro proposed the project in order to maintain or improve customer
9 service and/or reliability on the Island Interconnected System, or if the project was
10 proposed to improve efficiency and reduce customer costs on the Island
11 Interconnected System.
12
- 13 CA-NLH-071 (Reference CA-NLH-058 (c)) The response states “*Hydro does not have a*
14 *detailed listing of Newfoundland Power Inc. ’s fleet, including aerial devices.*”
15 Why not? Is it not possible for Hydro and Newfoundland Power to share such
16 equipment in some instances to reduce the cost to customers?
17
- 18 CA-NLH-072 (Reference CA-NLH-062) The response states “*Subject to project approval,*
19 *Hydro would obtain the easement for the new right-of-way.*” What process
20 would Hydro follow to obtain the new right-of-way and how long would it
21 take? For example, 1) what approvals would be necessary, 2) would an
22 environmental assessment be required, and 3) would Hydro be required to
23 purchase the land or obtain an easement, and if so, how would it go about
24 doing so?
25
- 26 CA-NLH-073 (Reference CA-NLH-065) Please confirm that the net revenues from sales in
27 2020 and to-date in 2021 have averaged about 3 cents/kWh (Canadian). What
28 is the current estimated cost of generation produced from Muskrat Falls
29 following full commissioning in cents/kWh (Canadian)?
30
- 31 CA-NLH-074 (Reference NP-NLH-010) The response states “*Newfoundland and Labrador*
32 *Hydro (“Hydro”) applies the General Service CIAC Policy (“CIAC Policy”)*
33 *approved by the Board of Commissioners of Public Utilities (“Board”) in*
34 *determining contributions from customers requiring distribution line*
35 *extensions or three phase upgrades.*” In light of: 1) increasing pressure on
36 Island Interconnected Customer rates, and 2) the fact that Island
37 Interconnected Customers pay the larger portion of the rural deficit, is Hydro
38 considering a review of its customer connection policy for isolated systems?
39 If not, why not?
40
- 41 CA-NLH-075 (Reference PUB-NLH-016 (d)) The response includes the following quote
42 from the Dunsky report:
43 ***Using a combined residential customer CPP [critical peak pricing] and***
44 ***commercial TOU [time of use] rate design offers significant additional peak***
45 ***load reduction potential, however, this does not fully emerge until after***
46 ***2030. Optimizing dynamic rates approaches offers the highest peak load***

1 *reduction (230 MW in 2034) when combined with a 16-hour curtailment*
 2 *constraint for Corner Brook. However, the ODR [optimized dynamic rates],*
 3 *TOU and CPP programs do not provide sufficient benefits to carry the full*
 4 *cost of the AMI investments needed to enable these programs before 2034. A*
 5 *full business case assessment for AMI may reveal other benefits streams that*
 6 *could be combined with TOU/ CPP programs to render the investment cost-*
 7 *effective.*

- 8
- 9 a) Please confirm, or deny with reasons, that the “*additional peak load*
 10 *reduction potential*” will at least *partially* emerge by 2030.
- 11 b) Please provide the “*full business case assessment for AMI*” carried out by,
 12 or on behalf of, Hydro and its partner Newfoundland Power that shows
 13 AMI is not beneficial prior to 2034.
- 14 c) Please provide the estimated peak contribution owing to the proposed
 15 electrification program prior to 2034 and the cost to provide the additional
 16 capacity including all assumptions.
- 17 d) Please confirm that the capacity costs owing to electrification efforts prior
 18 to 2034 are incorporated in the Hydro/Newfoundland Power economic
 19 assessment of the electrification programs and provide an indication of its
 20 impact on the economic merits of the electrification program.
- 21 e) Please provide a comparison of the cost to provide the additional capacity
 22 owing to the proposed electrification program prior to 2034 to the cost of
 23 AMI implementation for both Hydro and Newfoundland Power customers.

24
 25 CA-NLH-076

(Reference PUB-NLH-016 (d)) The response states “*However, as EVs*
 26 *[electric vehicles] become more prevalent in the province, they may eventually*
 27 *contribute to a new evening peak. As this trend takes hold, the Utilities should*
 28 *pilot EV load management strategies (i.e. dynamic rates for customers with*
 29 *EV chargers or direct EV load management).*”

- 30
- 31 a) Please provide details of the proposed pilot programs relating to managing
 32 EV charger demand. Specifically, identify the start and end dates, the costs,
 33 and details of the pilots including an explanation of how the results will be
 34 measured and quantified.
- 35 b) Please confirm that the costs of the pilot programs have been included in
 36 the economic assessment of the electrification program and provide an
 37 indication of its impact on the economic merits of the electrification
 38 program.
- 39 c) Please provide a copy of Hydro’s Application to the federal government
 40 seeking federal funding for EV infrastructure and the like, and all
 41 accompanying relevant correspondence.
- 42 d) Please provide a copy of correspondence/agreements between Hydro and
 43 Newfoundland Power pertaining to EV programs / infrastructure / outlets
 44 as the case may be and any federal funding applications pertaining to the
 45 same.

1
2 e) Please confirm that the pilot programs will focus on EV charger demand
3 management and will not provide useful information for addressing other
4 changes facing the electricity services industry such as distributed energy
5 resources and non-wires alternatives.
6

7 CA-NLH-077

(Reference PUB-NLH-016) The question relates to Hydro's proposed
8 metering project.
9

10 a) Please confirm, or deny with reasons, that Hydro believes that its partner
11 on the electrification effort, Newfoundland Power, should take the lead on
12 advanced metering infrastructure (AMI) and EV charger load management
13 because Newfoundland Power serves the vast majority of electricity
14 consumers in the Province (86% of the forecast Island Interconnected
15 System peak demand in the winter of 2021/22).
16

17 b) Please confirm, or deny with reasons, that if it is determined in the
18 Reliability and Supply Adequacy study that capacity additions are
19 necessary on the Island Interconnected System, the next additions are
20 likely to be commissioned prior to 2030 and the proposed electrification
21 program will be a contributor to this need.
22

23 c) Please provide an economic analysis of the proposed electrification
24 program including: 1) the cost of capacity to supply electrification prior to
25 2034, 2) the cost of the EV charger demand management pilot programs,
26 3) the cost of an AMI program for both Hydro and Newfoundland Power
27 customers, and 4) the cost of all of the above. Please include the cost of
28 utility-owned EV charger infrastructure.

DATED at St. John's, Newfoundland and Labrador, this 27th day of October, 2021.

Per:



Dennis Browne, Q.C.

Consumer Advocate

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