



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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2022-07-07

Ms. Shirley Walsh
Senior Legal Counsel - Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7


Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - Application for July 1, 2022 Customer Rates -
To NLH - Requests for Information**

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-002 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**
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
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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** an application by
9 Newfoundland and Labrador Hydro for approval
10 of a change in rates to be charged to its Island
11 Interconnected, L’Anse au Loup and Isolated
12 Rural customers.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-002

Issued: July 7, 2022

1 **PUB-NLH-001** On page 2, paragraph 3 of the cover letter to the Application, Hydro stated:

2
3 “If Hydro’s application herein is approved, any incremental billings to these
4 customers will flow through to Newfoundland Power’s balance in the Supply
5 Costs Variance Deferral Account through the Rural Rate Alteration. In this case
6 the Rural Rate Alteration adjustment will reduce the rural deficit being funded
7 by Island Interconnected customers in the future but will not reduce the
8 recovery or alteration of Project Costs”.

9
10 (a) For clarification purposes, please explain the mechanics of how the
11 incremental billings described above will reduce the rural deficit in the
12 future.

13 (b) Please confirm that the balance in the Rural Rate Alteration account will be
14 offset against the allocation of the Project Costs in the Supply Cost Variance
15 Deferral Account to be recovered from Newfoundland Power. If not please
16 explain why not.


17
18 (c) If (b) is confirmed, please explain how this would reduce the rural deficit.
19 Is it not reducing the Muskrat Falls project costs to be collected from
20 Newfoundland Power?

21
22 **PUB-NLH-002** (a) Please advise if Hydro plans to continue to increase the rates of its rural
23 isolated customers (customers not on the Island Interconnected system)
24 whose rates are based on Newfoundland Power rates as the collection of
25 Muskrat Falls costs are included and increased in Newfoundland Power
26 utility’s rate, in the absence of further direction from government.

27
28 (b) If (a) is confirmed, has Hydro explained to these customers that even though
29 the Muskrat Falls costs will only be collected from the Island Interconnected
30 customers, Hydro’s rural isolated customer rates will also increase as
31 Newfoundland Power’s customer’s rates increase to recover Muskrat Falls
32 costs, but will be used to reduce the rural deficit? If so, please provide this
33 communication.

DATED at St. John’s, Newfoundland and Labrador, this 7th day of July 2022.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES


Cheryl Blundon
Board Secretary