

1 **Q. Reference: NLH-NP-030, 031, 032, 033**

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3 **Further to Newfoundland Power’s response to NLH-NP-030, NLH-NP-031, NLH-**  
4 **NP-032 and NLH-NP-033, given, (i) it has been 15 years since the completion of the**  
5 **most recent load research study; (ii) approximately 48,400 Domestic customers now**  
6 **have heat pumps; (iii) Newfoundland Power does not know how many General**  
7 **Service customers have heat pumps; and (iv) it will take several years to conduct a**  
8 **load research study (including the time for sample selection, time to achieve**  
9 **customer acceptance to participate, equipment selection, delivery and installation,**  
10 **data collection and analysis):**

11  
12 **a) Why is it appropriate to wait until after the Muskrat Falls Project costs are**  
13 **reflected in customer rates prior to starting the load research study process?**

14  
15 **b) Does Newfoundland Power believe having more current load research data**  
16 **that provides load data during system peak periods for each rate class would**  
17 **be beneficial in developing a forecast for use in system planning? If not, why**  
18 **not?**

19  
20 **c) Does Newfoundland Power believe having more current load research data**  
21 **for each class would be beneficial in completing a rate design review? If not,**  
22 **why not?**

23  
24 **A. a) Load research used for the purpose of allocating costs between customer rate**  
25 **classes should be reflective of customer load profiles that can be expected in the**  
26 **future. There are two reasons why completing load research now would not be**  
27 **reflective of customer load in the future.**

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29 First, the range of outcomes that has existed in recent years regarding future  
30 electricity rates has been wide as a result of the Muskrat Falls Project. Whether a  
31 rate mitigation plan is achieved and the extent to which customer rates are  
32 actually mitigated remains uncertain.<sup>1</sup> Large differences in customer rates can  
33 influence customer energy usage and load profiles. As a result, load research  
34 completed during a period when electricity rates are relatively low may become  
35 obsolete depending on the size of any future rate increase.

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<sup>1</sup> For example, without rate mitigation, electricity rates resulting from the Muskrat Falls Project would increase to approximately 22.9 ¢/kWh. In April 2019, the Provincial Government released its rate mitigation plan entitled *Protecting You from the Cost Impacts of Muskrat Falls* which outlined a plan to keep customer rates at approximately 13.5 ¢/kWh. In July 2021, the Provincial Government provided an update on rate mitigation which indicated that rate mitigation result in customer rates being 14.7 ¢/kWh, or approximately 9% higher than previously announced.

1 Second, the ongoing COVID-19 pandemic began impacting Newfoundland  
2 Power’s customer load in 2020.<sup>2</sup> Load research relating to the Company’s  
3 various rate classes in 2020 and 2021 would not be appropriate for allocating  
4 costs between customer rate classes since it would not be reflective of normal  
5 customer load patterns.  
6

7 In Newfoundland Power’s view, collecting load research data from customers in  
8 advance of greater certainty regarding future electricity rates and during the  
9 COVID-19 pandemic is premature. However, Newfoundland Power does not  
10 disagree that preliminary work regarding the Company’s next load research study  
11 can commence prior to the resolution of these matters.  
12

- 13 b) Customer load research data for each rate class can be useful for multiple  
14 purposes, including system planning. However, load research data accumulated  
15 during extraordinary periods, such as the during the ongoing COVID-19  
16 pandemic, are not likely to reflect normal load patterns.  
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- 18 c) Current load research data would be beneficial in completing a rate design review,  
19 provided that the current load research data is reflective of customer load that can  
20 be expected in the future.

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<sup>2</sup> See the 2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 3, Customer, Energy and Demand Forecast, Section 4.1: 2020 Energy Sales.