



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

E-mail: shirleywalsh@nlh.nl.ca

2023-04-27

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, 2023 Utility Rate Adjustments To NLH – RFIs - PUB-NLH-001 to PUB-NLH-003

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-003 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacquelyn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Yours truly,

Cheryl Blundon
Board Secretary

CB/cj

ecc Newfoundland Power Inc.

Dominic Foley, E-mail: dfoley@newfoundlandpower.com
NP Regulatory, E-mail: regulatory@newfoundlandpower.com

Newfoundland & Labrador Hydro

NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca

Industrial Customer Group

Paul Coxworthy, E-mail: pcoxworthy@stewartmckelvey.com
Dean Porter, E-mail: dporter@poolealthouse.ca
Denis Fleming, E-mail: dfleming@coxandpalmer.com

Consumer Advocate

Dennis Browne, K.C., E-mail: dbrowne@bfma-law.com
Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com
Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com
Bernice Bailey, E-mail: bbailey@bfma-law.com

Teck Resources Limited

Shawn Kinsella, E-mail: shawn.kinsella@teck.com

Praxair Canada Inc.

Sheryl Nisenbaum, E-mail: sheryl_nisenbaum@praxair.com
Peter Strong, E-mail: peter.strong@linde.com

1 **IN THE MATTER OF the Electrical Power**
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**, RSNL
4 1990, Chapter P-47 (the “**Act**”), as amended,
5 and regulations thereunder; and
6

7 **IN THE MATTER OF** an application by
8 Newfoundland and Labrador Hydro
9 pursuant to subsection 70(1) and section 71
10 of the **Act**, for the approval of: (i) an updated
11 Rate Stabilization Plan Current Plan Adjustment
12 for Newfoundland Power Inc. (ii) an updated
13 Conservation and Demand Management Cost
14 Recovery Adjustment for Newfoundland Power
15 Inc., and (iii) the Project Cost Recovery Rider for
16 Newfoundland Power Inc. continued without
17 change, all to be made effective July 1, 2023.

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION

PUB-NLH-001 to PUB-NLH-003

Issued: April 27, 2023


- 1 **PUB-NLH-001** In Order No. P.U. 19(2022) the Board approved the implementation of a
2 Project Cost Recovery Rider. The Application stated that the Project Cost
3 Recovery Rider was proposed to address rate stability concerns and, in
4 combination with the update of the Rate Stabilization Plan adjustments and
5 the Conservation and Demand Management Cost Recovery Adjustment,
6 would avoid a projected 6.4% customer rate decrease while the Government
7 of Newfoundland and Labrador's rate mitigation plan was being finalized.
8
9 The preliminary estimate of the overall average customer rate impact resulting
10 from Hydro's proposed rate adjustments and Newfoundland Power's
11 projected rate adjustments is material, an increase of approximately 6.9%
12 effective July 1, 2023. At the request of the Government of Newfoundland and
13 Labrador, Hydro has not included any additional LCP-related costs in the
14 upcoming July 1, 2023 rate adjustments.
15
16 Did Hydro consider reducing or eliminating the Project Cost Recovery Rider in
17 the calculation of the July 1, 2023 rates to lessen the projected rate impact?
18 Please explain the considerations associated with reducing the Project Cost
19 Recovery Rider to lessen the rate increase.
20
- 21 **PUB-NLH-002** Prior to the approval of the Supply Cost Variance Deferral Account and the
22 discontinuation of the Rate Stabilization Plan in Order Nos. P.U. 33 (2021) and
23 P.U. 4(2022), the Rural Rate Alteration was included in the March 31st Rate
24 Stabilization Plan balance used to calculate the July 1st Utility rates. As of
25 March 31, 2023, the balance in the Rural Rate Alteration component of the
26 Supply Cost Variance Deferral Account was \$8,219,619 owing to
27 Newfoundland Power.
28
29 (a) Did Hydro consider proposing the transfer of the balance in the Rural Rate
30 Alteration to the Rate Stabilization Plan as of March 31, 2023 for the
31 calculation of July 1st rates? If not, please explain why.
32 (b) Please provide the rate impact to the end consumer using the scenario
33 noted in (a).
34
- 35 **PUB-NLH-003** On March 31, 2023, the Government of Newfoundland and Labrador issued a
36 grant payment to Hydro of approximately \$190 million to reduce the 2022
37 year-end balance in the Supply Cost Variance Deferral Account.
38
39 (a) Is there a restriction that limits the grant to only be allocated to costs
40 incurred as a result of the Muskrat Falls Project?
41 (b) Did Hydro consider whether a portion of the Government's grant can be
42 applied to reduce or eliminate the remaining balance of \$60.7 million in
43 the Rate Stabilization Plan as of March 31, 2023?
44 (c) Please provide a calculation of the rate impact if the Rate Stabilization Plan
45 balance was eliminated.

- 1 (d) Does Hydro consider the elimination of the Rate Stabilization Plan balance,
2 which will be included in rates until at least 2026, a form of rate mitigation?
3 If not, please explain why not.

DATED at St. John's, Newfoundland and Labrador, this 27th day of April 2023.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary