

IN THE MATTER OF
the Public Utilities Act (R.S.N.L. 1990,
Chapter P-47 (the “Act”), and

IN THE MATTER OF an Application
by Newfoundland and Labrador Hydro for the
approval, pursuant to Sections 70(1) and 76 of
the Act, of the Rate Stabilization Plan components
of the rates to be charged to Industrial Customers.

**Consumer Advocate
Requests for Information**

CA-NLH-20 to CA-NLH-26

Issued: September 3, 2009

Application Concerning RSP Components of Rates Charged Industrial Customers

CA-NLH-20

In Clauses 12 and 13 of the Application, it is stated that the Industrial Customer rates were made “interim” in January 2008 on the basis that the normal operation of the RSP could cause significant rate volatility for the Island Industrial Customers.

- (a) What evidence is available to Hydro now to support finalizing IC rates without first resolving the issue of disposition of the RSP Plan balances that was not available to Hydro in December 2007 when Hydro recommended the IC rates be made “interim”?
- (b) Please provide copies of minutes of meetings, emails and all other correspondence between Hydro and the Industrial Customers prior to the Application filed on December 20, 2007 which requested a continuation of current IC rates on an interim basis.

CA-NLH-21

Please provide a table showing for NP and each IC, and the ICs in total: 2007 test year revenue requirement, energy, and average revenue requirement in cents/kWh, and current revenue requirement, energy and average revenue requirement in cents/kWh based on assumptions in the response to PUB-NLH-22.

CA-NLH-22

With regard to rate design for Island Interconnected Customers, please provide the following:

- (a) The rate design objectives used by Hydro to guide rate design;
- (b) The period of time over which Hydro has been using these rate design objectives;
- (c) The rate design objectives categorized as primary versus those categorized as secondary; and
- (d) The means employed for meeting objectives relating to recovery of revenue requirement, fairness and efficiency.

CA-NLH-23

In the response to PUB-NLH-13, Hydro recommends that the balance in the IC RSP owing to the load variation component be allocated between Newfoundland Power and the Industrial Customers based on energy ratios. Please provide support and clarification for the recommendation. Specifically, please address the following:

- (a) Which components of the RSP balance should be disbursed and when?
- (b) What should be the start and end dates of the balance accumulation?
- (c) On what basis should the load ratio shares be determined?
- (d) What amounts should be disbursed to customers based on current forecasts?

- (e) How should the balance be disbursed to customers?
- (f) What impact on the rates of NP and each IC, and the ICs in total, is forecast under Hydro's recommendation?
- (g) If rate reductions are to be conveyed, over what amortization period should they be conveyed?
- (h) With regard to the response to CA-NLH-13 (a), please confirm that Hydro recommends that the RSP balance owing to the IC load variation component be allocated to both Newfoundland Power and the Industrial Customers on the basis of 2009 load share.

CA-NLH-24

Please provide actual and forecast balances in the load variation component of the IC RSP under its current terms assuming it is allowed to accumulate from January 1, 2007 until the date shown in the table below.

<i>Date</i>	<i>Balance</i>
December 31, 2007	
December 31, 2008	
June 30, 2009	
December 31 2009	
December 31, 2010	

CA-NLH-25

Please provide a table showing average rates in cents/kWh on January 1 of 2007, 2008, 2009, 2010, 2011 and 2012 for NP and each IC, and the ICs in total, assuming disbursement of the RSP balance owing to the IC load variation component consistent with the current methodology. Please assume there would be a General Rate Application filed in 2010 for rates effective January 1, 2011 with a 2011 Test Year based on the assumptions in the response to PUB-NLH-22.

CA-NLH-26

PUB-NLH-26 (Rev 1 July 31-09) shows that NP would receive a rate reduction of 12.1% if the IC RSP balance owing to the load variation component were disbursed on Dec 31, 2009 on the basis of 2009 load share. Please provide an estimate of the percentage rate reduction that retail customers would receive if NP were to receive a 12.1% rate decrease.