

**IN THE MATTER OF**

the *Electrical Power Control Act*, RSNL 1994,  
Chapter E-5.1 (the “*EPCA*”) and the  
*Public Utilities Act*, RSNL 1990,  
Chapter P-47 (the “*Act*”), as amended;

**AND**

**IN THE MATTER OF**

an application by Newfoundland and Labrador Hydro (“*Hydro*”)  
for approval of the Rate Stabilization Plan components of  
the rates to be charged to Industrial Customers.

---

**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB - NLH - 1 to PUB - NLH - 26**

**Issued: July 14, 2009**

---

**PUB - NLH – 1**

Under Section 3 of the *EPCA*, “It is declared to be the policy of the province that

(a) the rates to be charged, either generally or under specific contracts, for the supply of power within the province

(i) should be reasonable and not unjustly discriminatory,

(ii) should be established, wherever practicable, based on forecast costs for that supply of power for 1 or more years...

(b) all sources and facilities for the production, transmission and distribution of power in the province should be managed and operated in a manner...

(iii) that would result in power being delivered to consumers in the province at the lowest possible cost consistent with reliable service.”

According to the Application Hydro was aware in December 2007 that the normal operation of the Rate Stabilization Plan, as it had been approved by the Board, “...could cause significant rate volatility for the Island Industrial Customers.” As the interim rates requested at that time were not based on either test year costs or on a methodology that has been approved by the Board, and as Hydro has now applied to finalize these rates, please give the rationale as to why these interim rates can be considered reasonable, as required under the *EPCA*.

**PUB – NLH – 2**

Please provide the Industrial Fuel Price Projection that was required by Section C of the Rate Stabilization Plan for October 2007 and October 2008.

**PUB – NLH – 3**

Please provide the Rate Stabilization Plan adjustments that would have become effective on January 1, 2008 and January 1, 2009 if interim rates had not been implemented on those dates, and if the approved methodology had been used.

**PUB – NLH – 4**

If the Rate Stabilization Plan adjustments to Industrial Customers implemented on January 1, 2008 and on January 1, 2009 had been in accordance with the approved Rate Stabilization Plan, what would be the actual balance in the Plan of the Industrial Customers as of June 30, 2009?

**PUB – NLH – 5**

Using the Rate Stabilization Plan adjustments set out in PUB – NLH – 3, what is the current forecast of the balance that will be in the Plan of the Industrial Customers as of December 31, 2009?

**PUB – NLH – 6**

At what point in 2007 did the net balance in the Rate Stabilization Plan attributable to the Industrial Customers, including the Historical Plan, the Current Plan and the Hydraulic Variation, cease being an amount owed by the Industrial Customers and become a credit balance?

**PUB – NLH – 7**

As of December 31, 2008 what was the credit balance, including the Hydraulic Variation, in the Rate Stabilization Plan of the Industrial Customers?

**PUB – NLH – 8**

Using the Rate Stabilization Plan approved by the Board in Order No. P.U. 40(2003), subsequent Orders setting out the rates for Teck Cominco Limited, and information provided by actual sales to each of the Industrial Customers that has been served by Newfoundland and Labrador Hydro since January 1, 2008, please provide a detailed breakdown showing the amount of the credit balance as of December 31, 2008 that would be attributed to each of the Industrial Customers.

**PUB – NLH – 9**

As of June 30, 2009 what was the credit balance, including the Hydraulic Variation, in the Rate Stabilization Plan of the Industrial Customers?

**PUB – NLH – 10**

Using the Rate Stabilization Plan approved by the Board in Order No. P.U. 40(2003), subsequent Orders setting out the rates for Teck Cominco Limited, and information provided by actual sales to each of the Industrial Customers that has been served by Newfoundland and Labrador Hydro since January 1, 2008, please provide a detailed breakdown showing the amount of the credit balance as of June 30, 2009 that would be attributed to each of the Industrial Customers.

**PUB – NLH – 11**

As of December 31, 2009, what is the forecast credit balance, including the Hydraulic Variation, in the Rate Stabilization Plan of the Industrial Customers?

**PUB – NLH – 12**

Using the Rate Stabilization Plan approved by the Board in Order No. P.U. 40(2003), subsequent Orders setting out the rates for Teck Cominco Limited, and information provided by actual sales to each of the Industrial Customers that has been served by Newfoundland and Labrador Hydro since January 1, 2008, please provide a detailed breakdown showing the amount of the credit balance as of December 31, 2009 that would be attributed to each of the Industrial Customers.

**PUB – NLH – 13**

Should the Board decide to refund the credit balance in the Industrial Customers Rate Stabilization Plan as of December 31, 2008, what proposals does Hydro have for the allocation of this balance among the Industrial Customers?

**PUB – NLH – 14**

Should the Board decide to refund the credit balance in the Industrial Customers Rate Stabilization Plan as of June 30, 2009, what proposals does Hydro have for the allocation of this balance among the Industrial Customers?

**PUB – NLH – 15**

Should the Board decide that the forecast credit balance of the Industrial Customers Rate Stabilization Plan should be dealt with as of December 31, 2009, what proposals does Hydro have for the allocation of this balance?

**PUB – NLH – 16**

If interim rates, as they now stand, remain in place until December 31, 2010, and using Hydro's current forecasts for the various components of the Plan, what is forecast to be the balance in the Industrial Customers Rate Stabilization Plan at that time?

**PUB – NLH – 17**

Please provide an outline, giving dates and descriptions of the efforts made, of the discussions that have been held with the Industrial Customers and with Newfoundland Power in an effort to modify the Rate Stabilization Plan to meet the changing conditions in the Newfoundland and Labrador market.

**PUB – NLH – 18**

Please describe Hydro's understanding of the role that retroactive ratemaking may play in attempting to make changes, to become effective on January 1, 2008, to the Rate Stabilization Plan.

**PUB – NLH – 19**

Since the Historic Plan is no longer a factor in setting the Rate Stabilization Adjustment, has Hydro undertaken to update its "*Review of the Operation of the Rate Stabilization Plan*", dated June 30, 2006? If so, please provide the updated report.

**PUB – NLH – 20**

As Hydro is now requesting finalization of a Rate Stabilization Plan adjustment that includes a component to deal with the collection of the Historical Plan balance, from which Teck Cominco was exempt, and as this portion of the Plan no longer exists, why is it now appropriate to adjust the rates of Teck Cominco to collect this component?

**PUB – NLH – 21**

Using the assumption that the interim rate is finalized in September 2009, any other necessary assumptions, and Hydro's current forecasts of load, and fuel price, and indicating when Hydro expects to file its next General Rate Application, please provide a chart similar to that in Appendix B of the Application showing the years from 2009 to 2014.

**PUB – NLH – 22**

If Hydro was to run a Cost of Service Study as of June 30, 2009, what would be the revenue requirement of the Industrial Customer class?

**PUB – NLH – 23**

How does the revenue requirement in the response to PUB – NLH – 22 compare to that of the 2007 test year for the same class?

**PUB – NLH – 24**

Please provide any proposals that Hydro has developed to modify, to suspend, or to eliminate the Rate Stabilization Plan in order to better deal with the changing markets and changing fuel prices.

**PUB – NLH – 25**

Should the Board decide that Hydro must refund in a lump sum any portion of the balance of the Industrial Customers Rate Stabilization Plan, please describe any direct or indirect implications regarding rates, cash flow, earnings, financing costs, energy supply, or impact on past, present or future customers that should be considered.

**PUB – NLH – 26**

Should the Board decide that Hydro must structure any portion of the credit balance so that it is included in future rates, please describe any direct or indirect implications regarding rates, cash flow, earnings, financing costs, energy supply, or impact on past, present or future customers that should be considered.

**DATED** at St. John's, Newfoundland this 14<sup>th</sup> day of July 2009.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

*Original signed by*

*Per* Barbara Thistle  
Assistant Board Secretary