



February 5, 2015

Ms. G. Cheryl Blundon  
Board of Commissioners of Public Utilities  
120 Torbay Road, P.O. Box 12040  
St. John's, NL A1A 5B2

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – 2015 Interim Rates Application  
Requests for Information TIR-CA-NLH-1 to TIR-CA-NLH-9**

In relation to the above noted application please find enclosed one (1) original and twelve (12) copies of the Consumer Advocate's Requests for Information numbered TIR-CA-NLH-1 to TIR-CA-NLH-9.

An electronic copy will be forwarded in due course.

We trust the foregoing is found to be in order.

Yours very truly,

  
O'DEA EEARLE

THOMAS JOHNSON

TJ/cel  
Encl.

cc: Newfoundland & Labrador Hydro  
P.O. Box 12400  
500 Columbus Drive  
St. John's, NL A1B 4K7  
Attention: Geoffrey P. Young, Senior Legal Counsel

Newfoundland Power  
P.O. Box 8910  
55 Kenmount Road  
St. John's, NL A1B 3P6  
Attention: Gerard Hayes, Senior Legal Counsel



Vale Newfoundland and Labrador Limited  
c/o Cox & Palmer  
Suite 1000, Scotia Centre  
235 Water Street  
St. John's, NL A1C 1B6  
Attention: Thomas J. O'Reilly, Q.C.

Corner Brook Pulp & Paper Limited,  
c/o Stewart McKelvey  
Cabot Place, 100 New Gower Street  
P.O. Box 5038  
St. John's, NL A1C 5V3  
Attention: Paul Coxworthy

Miller & Hearn  
PO Box 129  
450 Avalon Drive  
Labrador City, NL A2V 2K3  
Attention: Ed Hearn, Q.C.

Olthuis, Kleer, Townshend LLP  
229 College Street  
Suite 312  
Toronto, ON  
M5T 1R4  
Attention: Senwung Luk

House of Commons  
Confederation Building, Room 682  
Ottawa, ON K1A 0A6  
Attention: Yvonne Jones, MP Labrador/Christian von Donat

Benson Buffett  
PO Box 1538  
9th Floor, Atlantic Place  
215 Water Street  
St. John's, NL A1C 5N8  
Attention: Genevieve M. Dawson

**IN THE MATTER OF**

the *Electrical Power Control Act*, 1994,  
R.S.N.L. 1994, Chapter E-5.1 (the "*EPCA*") and  
the *Public Utilities Act*, R.S.N.L. 1990,  
Chapter P-47 (the "*Act*"), and regulations thereunder;

AND

**IN THE MATTER OF**

an application by Newfoundland and Labrador Hydro,  
pursuant to Sections 70 and 75 of the Act, for the  
approval of customer electricity rates, rules and regulations  
on an interim basis to become effective March 1, 2015  
(the "*2015 Interim Rates Application*").

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**CONSUMER ADVOCATE  
REQUESTS FOR INFORMATION  
TIR-CA-NLH-1 to TIR-CA-NLH-9**

**Issued: February 5, 2015**

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1 TIR-CA-NLH-1 (Re: 2015 Interim Rates Application) The Alberta Utilities  
2 Commission has used a test to evaluate an interim rates application  
3 in “ENMAX Power Corporation; 2015 Interim Distribution and  
4 Transmission Tariff Application” dated November 12, 2014 (see  
5 <http://www.auc.ab.ca/applications/decisions/Decisions/2014/2014-311.pdf>). The test is identified below and includes two parts. The  
6 first part of the test relates to quantum and need for the rate  
7 increase and the second part of the test relates to the general public  
8 interest. Does Hydro’s 2015 Interim Rates Application meet this  
9 test? Please elaborate the response, as applicable:  
10

11 Part One

- 12 i. Is the identified revenue deficiency probable and material?  
13 ii. Can all or some portion of any contentious items be excluded  
14 from the amount collected?  
15 iii. Is the increase required to preserve the financial integrity of  
16 the applicant or to avoid financial hardship to the applicant?  
17 iv. Can the applicant continue safe utility operations without the  
18 interim adjustment?

19 Part Two

- 20 i. Do the interim rates promote rate stability and ease rate shock?  
21 ii. Do the interim adjustments help maintain intergenerational  
22 equity?  
23 iii. Can interim rate increases be avoided through the use of  
24 carrying costs?  
25 iv. Are the interim rate increases required to provide appropriate  
26 price signals to customers?  
27 v. Is it appropriate to apply the interim rider on an across-the-  
28 board basis?  
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30 TIR-CA-NLH-2 (Re: 2015 Interim Rates Application) Please provide a table

1 identifying the following: 1) Hydro's proposed revenue  
2 requirement for 2015; 2) the amount of revenue expected to be  
3 collected in 2015 under current rates; 3) the amount of revenue  
4 expected to be collected under the rates proposed in the 2015  
5 Interim Rates Application if these rates were implemented  
6 retroactively to January 1, 2015; and 4) the amount of revenue  
7 expected to be collected under the rates proposed in the 2015  
8 Interim Rates Application if these rates were implemented as  
9 proposed on March 1, 2015.

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11 TIR-CA-NLH-3 (Re: 2015 Interim Rates Application Evidence) Please provide a  
12 table comparing Hydro's 2015 revenue, net income and return on  
13 rate base assuming Board approval of interim rates under the  
14 following scenarios: 1) as proposed in the 2015 Interim Rates  
15 Application with rates effective January 1, 2015; 2) as proposed in  
16 the 2015 Interim Rates Application with rates effective March 1,  
17 2015; 3) assuming rates effective January 1, 2015 based on the  
18 current Board-approved rate of return; 4) assuming rates effective  
19 January 1, 2015 with all costs that have been identified by the  
20 Board as being subject to prudence review removed from the  
21 revenue requirement; and 5) assuming rates effective January 1,  
22 2015 with 50% of all costs that have been identified by the Board  
23 as being subject to prudence review removed from the revenue  
24 requirement.

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26 TIR-CA-NLH-4 (Re: 2015 Interim Rates Application Evidence) Please provide a  
27 table comparing Hydro's 2015 revenue, net income and return on  
28 rate base assuming Board approval of interim rates effective  
29 January 1, 2015 based on the following percentages of the 2015  
30 revenue requirement proposed for 2015 in the Amended 2013  
31 GRA: 50%, 60%, 75%, 90% and 100%.

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- TIR-CA-NLH-5 (Re: 2015 Interim Rates Application Evidence) Please extend Table 5 (page 16) to show the cases assuming the Board approves interim rates effective January 1, 2015 that recover 50%, 60%, 75% and 90% of the 2015 revenue requirement proposed in the Amended 2013 GRA.
- TIR-CA-NLH-6 (Re: 2015 Interim Rates Application Evidence) If during the review of the Amended 2013 GRA the Board decides that there are costs that are not to be passed through to consumers, how does Hydro propose that consumers receive cost/rate reductions if the Board has approved the interim rates as proposed in the 2015 Interim Rates Application?
- TIR-CA-NLH-7 (Re: 2015 Interim Rates Application Evidence) Is Hydro aware of cases in this Province where the Board has gone back and adjusted interim rates after the fact? Please elaborate.
- TIR-CA-NLH-8 (Re: 2015 Interim Rates Application Evidence) Based on past experience, how long has it taken Newfoundland Power to pass through to its customers cost increases/decreases owing to changes in Hydro's Utility Rate?
- TIR-CA-NLH-9 (Amended 2013 GRA) On page 4.20 (lines 1 to 2) it is stated *"Delayed implementation beyond January 1, 2015 will result in continuing growth in the forecast \$8 million current RSP balance due from the IC at December 31, 2014"*. On March 1, 2015, what will be the amount of the RSP balance due from the ICs, and how much of it will be attributable to Teck Resources? Given that Teck Resources is expected to close operations in June 2015, what avenues are available to Hydro for collecting any revenue shortfall

1 from Teck Resources, and how does Hydro propose to recover any  
2 Teck Resources revenue shortfall from other customers? Please  
3 show the expected impact on each customer class of any revenue  
4 shortfall not recovered from Teck Resources and comment on  
5 inter-generational equity issues.  
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Dated at St. John's in the Province of Newfoundland and Labrador, this 5<sup>th</sup> day of February, 2015.

A handwritten signature in black ink, appearing to read 'T. Johnson', is written over a horizontal line.

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