



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: gyoung@nlh.nl.ca

2015-02-06

Mr. Geoff Young  
Newfoundland and Labrador Hydro  
P.O. Box 12400  
St. John's, NL A1B 4K7

Dear Mr. Young:

**Re: Newfoundland and Labrador Hydro Application for 2015 Interim Rates for March 1, 2015 – Requests for Information**

Enclosed are Information Requests TIR-PUB-NLH-1 to TIR-PUB-NLH-15 regarding the above-noted application.

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

Yours truly,

Cheryl Blundon  
Board Secretary

/cpj  
Encl.

ecc. **Newfoundland & Labrador Hydro**  
Mr. Fred Cass, E-mail: fcass@airdberlis.com  
**Newfoundland Power Inc.**  
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com  
Mr. Liam O'Brien, E-mail: lobrien@curtislawe.nf.ca  
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**Towns of Labrador City, Wabush, Happy Valley-Goose Bay and North West River**  
Mr. Edward Hearn, QC, E-mail: miller&hearn@crstv.net

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

7 **IN THE MATTER OF** a general rate application  
8 filed by Newfoundland and Labrador Hydro on  
9 July 30, 2013; and  
10

11 **IN THE MATTER OF** an amended general rate  
12 application filed by Newfoundland and Labrador  
13 Hydro on November 10, 2014; and  
14

15 **IN THE MATTER OF** an application  
16 by Newfoundland and Labrador Hydro for  
17 the approval of customer electricity rates for  
18 2015 on an interim basis.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**TIR-PUB-NLH-1 to TIR-PUB-NLH-15**

**Issued: February 6, 2015**

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- 1 **TIR-PUB-NLH-1** Please list each proposal that has been changed in the Interim Rates  
2 Application from the Amended General Rate Application filed on  
3 November 10, 2014, explain in detail each change and provide details of  
4 how each change impacts customers' rates.  
5
- 6 **TIR-PUB-NLH-2** Please explain in detail how Hydro's 2015 return will be impacted if only  
7 a percentage of the proposed base rate increase is approved by the Board,  
8 including whether Hydro would propose to deal with any shortfall or  
9 surplus and, if so, how.  
10
- 11 **TIR-PUB-NLH-3** The rates proposed in the Interim Rates Application are based on proposed  
12 changes in the currently approved methodology (e.g. the methodologies  
13 for the allocation of the RSP load variation balance and the allocation of  
14 the rural deficit) which will be ultimately determined in the General Rate  
15 Application. Please explain the implications for customers' rates and for  
16 Hydro if the proposed changes are not all ultimately approved, and  
17 whether Hydro would propose to deal with any shortfall or surplus.  
18
- 19 **TIR-PUB-NLH-4** Page 5, footnote 18: Hydro is proposing that \$100,000 from the segregated  
20 load variation component of the RSP be applied to the Labrador  
21 Interconnected System for its share of the 2014 net income deficiency.  
22 Provide an explanation for this proposal given that the Labrador  
23 Interconnected customers do not participate in the RSP.  
24
- 25 **TIR-PUB-NLH-5** Page 6, footnote 20: List each PIRA fuel forecast Hydro has received from  
26 January 1, 2013 to the date of response to this request, including the date  
27 of the forecast and the forecast price.  
28
- 29 **TIR-PUB-NLH-6** If fuel costs or any other costs change materially from the 2015 costs  
30 included in the Interim Rates Application, does Hydro intend to propose  
31 new rates in the future, prior to the finalization of the General Rate  
32 Application? In the response explain why Hydro updated only one of the  
33 cost factors in the revenue requirement (fuel, including diesel) from the  
34 GRA revenue requirement and not others such as interest?  
35
- 36 **TIR-PUB-NLH-7** Page 11, lines 19-20: Please list the contribution of each of the following  
37 (by percent) to the proposed 11.2% base rate increase for Newfoundland  
38 Power: operating and maintenance expenses, fuel, power purchases,  
39 depreciation, interest, return on equity, rural deficit and other.  
40
- 41 **TIR-PUB-NLH-8** Page 15, lines 9-11: List each diesel fuel forecast that Hydro has received  
42 from January 1, 2013 to the date of response to this request, including the  
43 date of the forecast and the forecast price.  
44
- 45 **TIR-PUB-NLH-9** Given the recent volatility in the price of oil, please explain why Hydro  
46 proposes that the RSP adjustment be suspended until July 1, 2016. Provide

an explanation of the issues that should be considered if the July 1, 2015 RSP adjustment is not suspended and/or if an RSP adjustment is implemented when rates are finalized with the conclusion of the general rate application.

**TIR-PUB-NLH-10** Page 15, footnote 36: Explain how Hydro plans to reflect the higher rural deficit allocation in the 2015 Labrador Interconnected rates. In the response include the percentage impact on the 2015 Labrador Interconnected rates of the higher allocation.

**TIR-PUB-NLH-11** If the Interim Rates Application is approved with an effective date of April 1, 2015, what will be the impact on Hydro's return for 2015 and on customer rates? In the response include how Hydro plans to deal with these impacts.

**Assume that effective April 1, 2015 the fuel rider for Newfoundland Power is reset to zero and the 11.2% base rate increase for Newfoundland Power is approved, but no other changes proposed in the Interim Rates Application for Newfoundland Power are approved.**

**TIR-PUB-NLH-12** What would be the impact on customer rates and on Hydro's return for 2015 if the July 1, 2015 Rate Stabilization Plan adjustment takes place according to currently approved Rate Stabilization Plan rules? Provide any other assumptions used in this calculation, noting any that differ from the most recently filed Cost of Service.

**TIR-PUB-NLH-13** What would be the impact on customer rates and on Hydro's return for 2015 if the July 1, 2015 Rate Stabilization Plan adjustment is suspended and the Rate Stabilization Plan adjustment set at March 1, 2015 remains in place until December 31, 2015? Provide any assumptions used in this calculation, noting any that differ from the most recently filed Cost of Service.

**Assume that effective April 1, 2015 the Board approves the allocation of the segregated load variation to the Industrial Customers and to Newfoundland Power Inc., that the fuel rider for Newfoundland Power Inc. is reset to zero and that the current Rate Stabilization Plan adjustment of (0.551)¢ per kWh will continue without change until July 1, 2016.**

**TIR-PUB-NLH-14** Provide the total impact on the Rate Stabilization Plan balance at June 30, 2016 using of a Rate Stabilization Plan adjustment of (0.551)¢ per kWh. Provide all assumptions and the total amount that will be refunded over that period of time.

**Assume that effective April 1, 2015 the Board approves the allocation of the segregated load variation to the Industrial Customers and to Newfoundland Power Inc., that the fuel rider for Newfoundland Power Inc. is reset to zero and that the Rate Stabilization Plan adjustment to become effective April 1, 2015 will recover/repay the net of the Rate**

1 Stabilization Plan balance of December 31, 2014, the projected total recovery/repayment of  
2 the balance for the following three months estimated using energy sales (kWh) for January,  
3 February and March of 2014, the forecast financing charges to the end of the recovery  
4 period (to June 30, 2016) and the newly allocated segregated load variation for  
5 Newfoundland Power Inc.

6  
7 **TIR-PUB-NLH-15** Provide the Rate Stabilization Plan adjustment effective April 1, 2015 that  
8 would recover or repay the balance in the Rate Stabilization Plan. Provide  
9 all assumptions used and the total amount that will be recovered or  
10 refunded over the period from April 1, 2015 to July 1, 2016.

**DATED** at St. John's, Newfoundland this 6<sup>th</sup> day of February, 2015.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per Cheryl Blundon  
Cheryl Blundon  
Board Secretary