

IN THE MATTER OF the
Public Utilities Act, RSNL 1990,
Chapter P-47 (the *Act*) as amended; and

IN THE MATTER OF a general rate
Application (the "Application")
by Newfoundland Power Inc.
("Newfoundland Power") to establish
Customer electricity rates for 2013 and 2014.

**Requests for Information by
The Consumer Advocate**

CA-NP-123 to CA-NP-169

October 12, 2012

1 CA-NP-123 Please provide the most recent residential electric sales profile available.
2 Submit end-use daily load curves for the typical home (kW versus time)
3 showing electric space heating, electric water heating and other end-uses
4 as available for a winter weekday and weekend, summer weekday and
5 weekend, spring weekday and weekend and fall weekday and weekend.
6

7 CA-NP 124 Please provide the typical annual consumption of a residential customer:
8
9 a. With no electric heating or hot water
10 b. With electric hot water, but no electric heating
11 c. With electric hot water and electric heating
12

13 CA-NP 125 (a) Provide a comparison of the cost to the consumer to heat a typical
14 home with oil and electricity at current and proposed rates. (b) Provide a
15 comparison of the cost to the consumer of hot water for a typical home
16 using oil and electricity at current rates. (c) Show Newfoundland Power's
17 cost of supplying electricity for 1) hot water, and 2) home heating for a
18 typical home.
19

CA-NP 126 Provide the following information for the years 2007 through 2011, and forecast for the years 2012 to 2014 on the basis of the data and proposals in the Application:

- a. kWh sales/employee
- b. Customers/employee
- c. \$ revenue/employee
- d. km distribution/employee
- e. Fixed cost associated with distribution system/km of distribution
- f. O&M cost associated with distribution system/km of distribution
- g. System average interruption duration index (SAIDI) (excluding impacts of outages on Hydro's system)
- h. System average interruption frequency index (SAIFI) (excluding impacts of outages on Hydro's system)

CA-NP 127 Please provide a copy of NP's Annual Reports from 2007 to current.

CA-NP 128 NP is proposing a 6% average rate increase effective March 1, 2013 (Application page 1-5, lines 9-10) and a significant increase in return on equity, from the current 8.8% approved only a few months ago by the Board for 2012 (Application page 1-5, line 23 and page 1-6, line 1), to 10.4% in this Application (September 14, 2012 letter to Board Re: 2013/2014 General Rate Application, page 3). In return for this sizeable increase in rates and return on equity, is NP proposing to:

- a. Take on increased risk to relieve the burden of risk currently taken on by customers?
- b. Commit to specific improvements in efficiency and cost reduction?
- c. Commit to specific improvements in customer service and quality of supply?

If proposing any of (a) through (c), please identify and provide details of the proposal and the source in the Application.

1	CA-NP 129	[page 2-2, line 19] Please provide the quarterly customer survey reports
2		for the past two years including a copy of the questions.
3		
4	CA-NP 130	[page 2-4, lines 1-3]
5		a. What are NP's SAIDI and SAIFI targets, and what is the basis for
6		establishing these targets?
7		b. What does NP believe to be a reasonable standard for distribution
8		SAIDI and SAIFI?
9		c. How is customer satisfaction incorporated in SAIDI and SAIFI
10		targets and standards?
11		
12	CA-NP 131	[page 2-5, lines 4-5] How does NP define a "severe weather event" and
13		how does this definition compare to that used elsewhere in the industry?
14		
15	CA-NP 132	Please provide the system-wide reliability policy and standards for the
16		Island Interconnected System for the following:
17		
18		a. Generation; i.e., loss of load expectation;
19		b. Transmission; i.e., n-1 criteria;
20		c. Distribution.
21		
22	CA-NP 133	For the Island Interconnected System, please provide a breakdown of
23		customer interruptions both in terms of frequency and number of minutes
24		owing to generation-, transmission- and distribution-related causes.
25		Please break down the data for transmission into Hydro-owned and
26		NP-owned.
27		
28	CA-NP 134	[page 2-9, footnote 14] How do NP's composite labour rate increases
29		compare to labour rate increases elsewhere in Canada, and more
30		specifically, at Canadian electric utilities? Please reproduce Table 2-5
31		using these indices as being representative of inflation.
32		
33	CA-NP 135	[page 2-10, lines 4-7] Please provide support for the statement that
34		technology has contributed to cost efficiency by documenting specific

1		programs, program costs, and the savings that have resulted and are
2		included in the revenue requirement calculation.
3		
4	CA-NP 136	Please provide five cost saving programs that NP intends to implement in
5		the next three years and provide an estimate of the expected cost savings
6		and benefit to cost ratios of each program.
7		
8	CA-NP 137	Does NP intend to implement any distribution automation programs in the
9		next three years? If so, what benefits are expected?
10		
11	CA-NP 138	a. Has NP implemented, or does it intend to implement, “smart
12		grid/smart meter” technology? If so, please describe the programs
13		and the expected savings.
14		b. Please describe smart grid/smart meter programs being
15		implemented by other Fortis-owned electric distribution
16		companies in Canada.
17		
18	CA-NP 139	How do NP disconnections owing to lack of payment compare to that in
19		other Canadian Provinces?
20		
21	CA-NP 140	[page 2-11, lines 6-10] How does NP’s cost of maintenance as a
22		percentage of installed value of the system compare to distribution utilities
23		elsewhere in Canada?
24		
25	CA-NP 141	[page 2-12, lines 4-5] Please provide details of the AMR program
26		including costs and the savings included in the revenue requirement
27		calculation.
28		
29	CA-NP 142	[page 2-24, lines 12-13] How do NP’s labour costs and improved labour
30		productivity compare to electric distribution companies elsewhere in
31		Canada?
32		

1 CA-NP 143 **[page 3-16, lines 13-14]** It is stated that NP is assessed to be an average
2 risk utility relative to Canadian peers. How does NP operating efficiency
3 and performance rank relative to these Canadian peers?
4

5 CA-NP 144 **[page 5-9, lines 18-19]** With regard to the Retail Rate Review:
6 a. Please identify each recommendation in the Retail Rate Review
7 and indicate if NP is proposing to implement it in this Application.
8 Identify recommendations that are not being proposed for
9 implementation in the current Application and provide an
10 explanation.
11 b. Please file for the record a copy of the Retail Rate Review.
12

13 CA-NP 145 **[page 5-9, lines 14-16]** Please file copies of all reports documenting
14 study results and progress to date relating to the optional seasonal rate
15 for Domestic customers and the time-of-day rate study.
16

17 CA-NP 146 **[page 5-9, lines 14-16]** Please provide the revenue reconciliation
18 calculation proving the fairness of the optional seasonal and time-of-day
19 rates relative to standard rates.
20

21 CA-NP 147 **[page 5-18, lines 8-9]** Please provide a current accounting for the funds
22 accumulated in the Optional Seasonal Rate Revenue and Cost Recovery
23 Account.
24

25 CA-NP 148 **[Volume 2, Tab 7, page 1]** NP indicates that its single supply
26 dependence is relatively rare for investor-owned electric utilities in
27 Canada, and that it recovers its power supply costs through a
28 combination of customer rates and regulatory mechanisms. What would
29 bring this situation more in line with practice elsewhere? Has NP made
30 such proposals to the Board in the past? If so, please provide details.
31

32 CA-NP 149 Please provide in tabular form the actual number of customers, peak
33 demand and energy demand for each month from August 2007 through
34 August 2012, and forecast for September 2012 through December 2015.

Please show the data with and without NP generation and with and without weather normalization. Please provide the forecast figures based on assumptions in the Application.

CA-NP 150

Please show the impact on revenue requirement and proposed rate increase for 2013 and 2014 for the following load forecast scenarios:

- a. No change in load (i.e., 0% load growth) from current levels;
- b. A 1% reduction in load (i.e., demand and energy) from current levels; and
- c. A 1% increase in load (i.e., demand and energy) relative to forecast levels.

What is the probability of load falling within a band of 0% load growth to 1% load growth above forecast?

CA-NP 151

Please provide in tabular format a list of interruptions to Curtailable Service customers for each of the last five winter periods, including: date of dispatch, time of dispatch, time of recall, amount of load dispatched, and reason for dispatch including whether NP- or Hydro-initiated. Please also show the NP peak demand at the time of dispatch, and the NP peak demand for the particular year.

CA-NP 152

Please provide an explanation of the decision-making process followed prior to interrupting customers on Curtailable Service.

CA-NP 153

Has the number of Curtailable Service customers changed in the past 5 years? Have any Curtailable Service customers indicated an interest in opting out of the service option?

CA-NP 154

Please provide a list of Curtailable Service customers along with a brief description of the type of business.

CA-NP 155

With regard to NP thermal generation, please provide a table showing the following for each of the past five years: date of dispatch, time of

dispatch, duration of dispatch, amount of generation dispatched, and reason for dispatch including whether NP- or Hydro-initiated. Please also show the NP peak demand at the time of dispatch, and the NP peak demand for the particular year.

CA-NP 156 Please provide an update of the status of the DRI initiative including programs, program costs, expected benefits and year of implementation.

CA-NP 157 Please indicate how NP currently uses external benchmarking to influence its operational practices and decision making.

CA-NP 158 The following questions relate to direct customer contact between NP staff and customers:

- a. What performance indicators does NP track relating to direct customer contacts, for example, response time and performance relating to customer queries, dropped calls, blocked calls, customer bills rendered on time, bills re-issued with adjustments, field work on-time completion rate (i.e., new connections, move-ins, move-outs)?
- b. Following direct customer contact, does NP follow up with customers to determine customer satisfaction? Provide details.
- c. Provide for the past five years NP performance in all areas currently tracked relating to direct customer contact.
- d. Provide details of methods and equipment used to track such indicators.
- e. What targets has NP established for performance in each category currently tracked?

CA-NP 159 The following questions relate to meter reading:

- a. What performance indicators does NP track relating to meter reading, for example, percentage of actual meter readings relative to scheduled number of meter readings?
- b. Provide for the past five years, NP performance in all areas currently tracked relating to meter reading.

- 1 c. Provide details of methods and equipment used to track such
2 indicators.
3 d. What targets has NP established for performance in each
4 category currently tracked?
5

6 CA-NP 160

The following questions relate to worker safety:

- 7 a. What performance indicators does NP track relating to worker
8 safety, for example, number of employee lost days owing to
9 work-related injury?
10 b. Provide for the past five years, NP performance in all areas
11 currently tracked relating to worker safety.
12 c. Provide details of methods and equipment used to track such
13 indicators.
14 d. What targets has NP established for performance in each
15 category currently tracked?
16

17 CA-NP 161

For each of the past five years, identify the fifteen worst performing
18 circuits on Newfoundland Power's system, including the number of
19 customers and demand served by each circuit, factors underlying the
20 performance of these circuits, and any measures implemented to improve
21 the reliability of these circuits.
22

23 CA-NP 162

In NP's opinion, what is a reasonable time in calendar days to respond to
24 customer complaints expressed directly to the Company? Does NP track
25 its performance in this area? If so, provide details.
26

27 CA-NP 163

Please provide the following for all Fortis companies involved in the
28 electricity sector in Canada including NP, current and proposed:

- 29 a. Rates, implicit or explicit, for distribution service;
30 b. Return on equity (distribution);
31 c. Distribution operating costs per customer and per kWh sold;
32 d. SAIDI (distribution);
33 e. SAIFI (distribution);
34 f. Customer satisfaction index.

1
2 CA-NP 164 Are any of the Fortis companies which are involved in the electricity
3 sector in Canada subject to:

- 4 a. Distribution reliability and service standards;
5 b. An incentive regulatory mechanism?
6

7 If so, please file all documentation relating to the standard or regulatory
8 mechanism.
9

10 CA-NP 165 Please provide for the record copies of the two most recent Peer Group
11 Reports.
12

13 CA-NP 166 Please provide a list of all reports filed at regular intervals by NP to the
14 Board including the title of the report, its purpose, a brief description of
15 what the report covers, the interval at which the report is filed with the
16 Board, and the dates of the last three reports filed with the Board.
17

18 CA-NP 167 In NP's opinion:

- 19 a. Which attributes of the distribution business make distribution
20 utilities in Canada industry leaders?
21 b. What are the latest developments and trends in the electricity
22 distribution business in Canada?
23

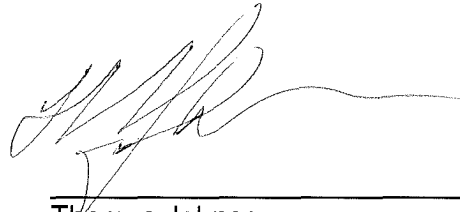
24 CA-NP 168 With regard to distributed energy resources, please provide the following:

- 25 a. A list of all distributed energy resources installed on NP's system
26 including the date installed, the size of the resource, the type of
27 resource, the fuel used by the resource and the amount of energy
28 sold by the resource to NP.
29 b. Does NP have any plans for increasing the amount of distributed
30 resources installed on its system?
31 c. Are there deterrents to the installation of distributed resources?
32 d. Has NP received customer complaints relating to connecting their
33 distributed resources?

1 e. Please comment on the effect that distributed resources have had
2 on system reliability, both positive and negative.
3

4 CA-NP 169 How do losses on NP's distribution system compare to losses on other
5 distribution networks in Canada?
6
7

Dated at St. John's in the Province of Newfoundland and Labrador, this 12th day of October, 2012.



Thomas Johnson
Consumer Advocate
323 Duckworth Street
St. John's, NL A1C 5X4
Telephone: (709)726-3524
Facsimile: (709)726-9600
Email: tjohnson@odeaearle.ca