

1 Q: Re: Liberty Report, Conclusion 2.22 (pp. 33-34)

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3 Citation:

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5 2.22. History suggests that Hydro will consult with Newfoundland Power  
6 on the design and results of the coming analyses related to conservation  
7 and demand management, but it is not clear that Newfoundland Power  
8 will share “ownership” of the process.  
9

10 Personnel from Newfoundland Power consider Hydro to have been open  
11 in discussing planned work, in sharing results, and in addressing use of  
12 analytical information in past program design and evaluation. It remains  
13 clear, however, that Hydro’s system planners retain responsibility for  
14 program design, the range of assumptions analyzed, the nature of the  
15 analyses, selection of resources to assist in performing analyses, oversight  
16 of study and analytical work, and final reports.  
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18 ...

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20 One can conclude that it is not necessarily certain that Hydro and  
21 Newfoundland Power (and perhaps other stakeholders as well) will agree  
22 on the range of schedule and cost assumptions that should be employed.  
23 Scope and methodological viewpoints may differ as well. The same is true  
24 of views about the time required to complete work that must serve as the  
25 foundation for assessing conservation and demand management potential.  
26 Full visibility into study work and management of those performing it and  
27 vetting results also has importance in our view. Therefore, while Liberty  
28 commends efforts to engage Newfoundland Power in discussions and while  
29 Liberty would expect Hydro to consider to listen carefully and respond to  
30 input, a better approach would be to approach the work not from the  
31 perspective of “ownership” by Hydro, but of “partnership” between the  
32 two and transparency of the work and its results to the Board and to all  
33 stakeholders. (underlining added)  
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35 Preamble: It appears that Liberty is recommending a joint decision-making  
36 process (a “partnership” approach) between Hydro and NP, as contrasted  
37 with a unilateral decision-making process implied by the “ownership”  
38 approach.  
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40 Please confirm or correct the statement in the preamble.

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42 Does Liberty have any concerns that the partnership approach might result in  
43 a slower timeline to implementation than an ownership approach, given the

1           **time that may be required to negotiate and approve the partnership**  
2           **agreement, or the time required to resolved differences of opinion between the**  
3           **two companies? If not, why not? If so, please provide guidance as to how this**  
4           **approach can be best handled so as to minimize any such delays.**  
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- 7       A.     Liberty did not find decision-making to be unilateral. The objective of the  
8           recommendation was to ensure that the scope, dimensions, and key inputs of the  
9           underlying analysis (including in particular, but not limited to, a robust and  
10          analytically derived range of uncertainty around the Muskrat Falls in-service date)  
11          were either subjected to full agreement, or designed to address the full range of  
12          divergent viewpoints that the two companies may have. Liberty believes that this  
13          approach will actually expedite formation of any new programs warranted because  
14          it minimizes the risk of contention and delay arising from failure to provide a  
15          sufficiently broad range of underlying data under which the company and ensuing  
16          stakeholder and regulatory processes will identify and evaluate alternatives. Note  
17          that the companies need not agree on all key study scope, dimensions, and key  
18          inputs, but only need to design the work to accommodate all views. Thus, there  
19          should be no delay caused by disagreement resolution. Moreover, we found the two  
20          utilities sufficiently aligned on overall dimensions to avoid a study with  
21          cumbersome dimensions that could delay progress. Minimizing delay in executing  
22          this approach is a function of shortening the company analytical and alternatives  
23          identification work as much as possible.