

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.
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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.