

HAND DELIVERED

March 21, 2017

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

Ladies & Gentlemen:

**Re: Newfoundland Power's Net Metering Service Option Application (the "Application")  
Response to Consumer Advocate's Letter dated March 17, 2017**

By letter dated March 17, 2017, the Consumer Advocate requested that the Board reconsider its denial of the Consumer Advocate's request for a public hearing on the Application and a similar application by Newfoundland and Labrador Hydro.

In support of the request that the Board reconsider its decision to not hold a public hearing, the Consumer Advocate's letter enumerates four specific points.

Firstly, the Consumer Advocate's letter suggests that a public hearing would demonstrate that the 5 MW overall net metering subscription limit for the province is "insufficient to launch a net metering program in this province with any degree of success." As noted in the Company's evidence, however, any net metering service offering by Newfoundland Power is effectively restricted to customer facilities of 100 kW or less and a system limit of 5 MW.<sup>1</sup> Furthermore, as the Company's evidence shows, the subscription limit is broadly consistent with existing Canadian public utility practice.<sup>2</sup> Increasing the subscription limit beyond that contemplated by the provincial government's Net Metering Policy Framework (the "Framework"), or permitted by legislation, is a matter of public policy and therefore outside the scope of the Board's consideration of the Application.

The Consumer Advocate's letter also suggests that a public hearing would demonstrate that "effective net metering would target specific areas" and that a hearing would "get the attention of target communities." The Consumer Advocate has submitted no evidence to support this assertion. Newfoundland Power observes that public notice of the Application, which was published throughout the province in accordance with the Board's usual process, elicited written support of the Application from, among others, the provincial municipalities association and industry.

---

<sup>1</sup> Evidence of Newfoundland Power, Page 10, lines 5 – 15.

<sup>2</sup> Evidence of Newfoundland Power, Page 10, footnote 25.

**Newfoundland Power Inc.**

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 737-5609 • FAX (709) 737-2974 • [ghayes@newfoundlandpower.com](mailto:ghayes@newfoundlandpower.com)

The Consumer Advocate's letter suggests a hearing would demonstrate that "net metering will be more of a necessity for rate payers in the post Muskrat era" and that "net metering properly introduced will provide an affordable option to rate payers." No evidence has been submitted in support of those assertions. The Company's evidence acknowledges that expected cost and rate impacts resulting from the interconnection of Muskrat Falls will justify re-examination of the pricing associated with net metering. As the Company's evidence points out, such re-examination will not be feasible until the impacts are more fully known and evaluated.<sup>3</sup> In Newfoundland Power's submission, the rate impacts of interconnection are beyond the scope of the current Application.

The Consumer Advocate's final point, with respect to the "fate" of time of use rates, is unclear. The appropriateness of time of use rates was considered in a study of retail rates carried out by Newfoundland Power in consultation with the Consumer Advocate and Hydro, between 2007 and 2011. The Board approved Newfoundland Power's Optional Domestic Seasonal Rate in 2011.<sup>4</sup>

In conclusion, the points raised by the Consumer Advocate in support of a request for a public hearing of the Application are (1) beyond the proper scope of the Application and (2) not supported by either the law of the Province, the Framework, the evidence on the Application or current Canadian public utility practice. For these reasons, the Board should deny the Consumer Advocate's request.

Respectfully submitted,



Gerard M. Hayes  
Senior Counsel

c. Tracey Pennell  
Newfoundland & Labrador Hydro

Dennis Browne, QC  
Browne Fitzgerald Morgan & Avis

---

<sup>3</sup> Evidence of Newfoundland Power, Page 23, line 1 to Page 24, line 2.

<sup>4</sup> See Order No. P.U. 8 (2011).

**Newfoundland Power Inc.**

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 737-5609 • FAX (709) 737-2974 • [ghayes@newfoundlandpower.com](mailto:ghayes@newfoundlandpower.com)