

The Consumer Advocate

PO Box 23135
Terrace on the Square
St. John's, NL Canada
A1B 4J9

Tel: 709-724-3800
Fax: 709-754-3800

November 15, 2019
The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL
A1A 5B2 Canada

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Consumer Advocate Request for Technical Conference
on Newfoundland and Labrador Hydro's 2020 Capital Budget Application**

In a November 4, 2019 letter relating to the Consumer Advocate's request for a Technical Conference on Hydro's 2020 Capital Budget Application, the Board states "*In relation to the specific issues raised by the Consumer Advocate, the Board requests that Hydro and the Consumer Advocate work together to ensure that the nature of the further information required is clear. This will allow Hydro to prepare appropriately so that the issues can be efficiently and effectively addressed at the conference.*" This meeting took place between Hydro and the Consumer Advocate via conference call on November 12, 2019.

The Consumer Advocate wishes to gain the information necessary to properly assess the benefits of the 2020 Capital Budget Application from the perspective of consumers. Part of this assessment includes a comparison of capital budget practices at Hydro versus those at Newfoundland Power. In this regard, the Consumer Advocate proposes the following for discussion at the Technical Conference:

- 1) The impact of the Reference on Muskrat Falls Rate Mitigation on Hydro's 2020 Capital Budget;
- 2) The impacts of the Supply Adequacy and Reliability Study on Hydro's Capital Budget;
- 3) Hydro's policy and approach to capitalization of labour costs;
- 4) Hydro's policy, approach, and replacement criteria for transmission line rebuilds/maintenance/repair;
- 5) Hydro's policy and approach to distribution reliability and efforts directed at determining the value customers place of reliability and their willingness to pay for increased reliability; and

- 6) Hydro's views on how the capital budget application process could be improved going forward.

Please contact the undersigned if you have any questions on this submission.

Yours truly,



Stephen Fitzgerald
Counsel to the Consumer Advocate

cc **Newfoundland Power Inc.**

NP Regulatory (regulatory@newfoundlandpower.com)
Gerard Hayes (ghayes@newfoundlandpower.com)
Kelly Hopkins (khopkins@newfoundlandpower.com)

Newfoundland & Labrador Hydro

NLH Regulatory (NLHRegulatory@nlh.nl.ca)
Shirley Walsh (ShirleyWalsh@nlh.nl.ca)

Board of Commissioners of Public Utilities

Jacqui Glynn (jglynn@pub.nl.ca)
Maureen Greene (mgreene@pub.nl.ca)
PUB Official Email (ito@pub.nl.ca)

Island Industrial Customers Group

Paul Coxworthy (pcoxworthy@stewartmckelvey.com)
Dean Porter (dporter@poolealthouse.ca)
Denis Fleming (dfleming@coxandpalmer.com)