

The Consumer Advocate

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June 21, 2018

Via Courier

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of
Corporate Services / Board Secretary**

Dear Ms. Blundon:

**RE: Newfoundland Power – 2019/2020 General Rate Application
- Intervenor Submission**

Further to the above-captioned, enclosed please find enclosed the Consumer Advocate's Notice of Intervention.

Yours truly,



**Stephen Fitzgerald
Counsel for the Consumer Advocate**

Encl.
/bb

cc **Newfoundland & Labrador Hydro**
Geoff Young (gyoung@nlh.nl.ca)
NLH Regulatory (NLHRegulatorv@nlh.nl.ca)
Newfoundland Power Inc.
NP Regulatory (regulatory@newfoundlandpower.com)
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Board of Commissioners of Public Utilities
Cheryl Blundon (cblundon@pub.nl.ca)
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IN THE MATTER OF the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47, as amended (the Act”); and

IN THE MATTER OF general rate application (the “Application”) by Newfoundland Power Inc. (“Newfoundland Power”) to establish customer electricity rates for 2019 and 2020.

NOTICE OF INTERVENTION

The Consumer Advocate appointed as set out in Section 117 of the *Public Utilities Act* will intervene in the above-referenced application:

- (a) To represent consumers in all matters pertaining to the application;
- (b) To advocate the Board apply the policy established under the *Electrical Power Control Act, 1994*, S.N.L. 1994 (the “Act”) and in particular to ensure that the Application will result in power being delivered to consumers at the lowest possible cost consistent with reliable service;
- (c) To attend conferences and hearings, as the case may be, and to file Request for Information and written submissions;
- (d) To retain experts to address issues arising from the Application;
- (e) And to all matters relating to the foregoing.

In particular, without limiting the foregoing, the Consumer Advocate will address the following:

1. **Automatic Adjustment Formula**

The Consumer Advocate will advocate the reinstatement of the Automatic Adjustment Formula as appropriate and as based on evidence.

2. **Appropriate Capital Structure**

Newfoundland Power's 45% common equity ratio is too high. This is costly to consumers. 40% has been consistently argued by Consumer Advocates and their experts for years. Given the circumstances in which consumers find themselves, with pending rate shocks forecast resulting from this Application and other applications combined, it is timely for the Public Utilities Board to review this issue in its entirety and finally take appropriate action.

3. **Applicant's Rate of Return**

The Consumer Advocate will challenge any efforts on the part of the Applicant to increase its rate of return as unreasonable and opportunistic.

4. **Rate of Increases**

The Consumer Advocate rejects any increase in Newfoundland Power's current customer rates.

5. **Conclusion**

It is noteworthy that the Applicant is basing its increase on economic uncertainties associated with Muskrat Falls and the resulting economic outlook for the province. However, it is noteworthy that when the Muskrat Falls Project was publicly debated the Applicant remained silent. This failure on the part of the Applicant to express its concerns at the relevant time cannot be used as a reason to found this rate increase application.

And finally, given the uncertainties, if not confusion, pertaining to issues currently before the Board, which could result in rate shock, it is surprising that the Board would not have deferred this hearing or at least requested commentary from the parties prior to moving the matter forward.

DATED at St. John's, Newfoundland and Labrador, this 21st day of June, 2018.

Per:

A handwritten signature in black ink, appearing to read "Dennis Browne", written over a horizontal line.

Dennis Browne, Q.C.

Consumer Advocate

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