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October 27, 2023

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

Attention: Jo Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power's 2024 Capital Budget Application – Consumer Advocate's Request for Oral Hearing

1.0 INTRODUCTION

Newfoundland Power Inc. ("Newfoundland Power" or the "Company") filed its *2024 Capital Budget Application* (the "2024 Capital Budget" or the "Application") on June 22, 2023. On October 23, 2023, the Consumer Advocate requested that the Board hold an oral hearing on the Application (the "Consumer Advocate's Request"). Newfoundland and Labrador Hydro ("Hydro"), which was also an intervenor in the Application, did not request an oral hearing on the Application. The Board set October 27, 2023 as the date for Newfoundland Power to reply to the Consumer Advocate's Request.

The Board's procedure for hearing a public utility's annual capital budget is governed, in part, by its *Capital Budget Application Guidelines (Provisional)*, effective January 2022 (the "Provisional Guidelines").¹ The Provisional Guidelines state that annual capital budget applications will normally be conducted through a public written hearing process. The Provisional Guidelines further state that an oral hearing may be held at the Board's discretion where the Board determines that an oral hearing is necessary to assist the Board in gaining a full understanding of the issues to be decided in the application.²

¹ The Provisional Guidelines were established by the Board as part of an ongoing review process that involved Board staff, Newfoundland Power, Hydro and the Consumer Advocate. The Provisional Guidelines provide additional avenues for intervention, including the formal inclusion of an introductory presentation, intervenor expert reports, and a second round of requests for information, which afford intervenors an additional opportunity to add to the evidentiary record.

² See the Provisional Guidelines, page 4 of 18.

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The Board's public written hearing process has been the subject of two applications for leave to appeal to the Court of Appeal of Newfoundland and Labrador by the Consumer Advocate in recent years.³ In its 2021 decision denying leave, the Court of Appeal stated:

*The Board's choice of procedure allowed for an open and transparent process, appropriate to the capital budget decision, with reasonable opportunity for those affected, including the Consumer Advocate, to participate.*⁴

In its 2022 decision denying leave, the Court of Appeal cited with approval its 2021 conclusions on the sufficiency of the Board's public written hearing process and further stated:

*The Board is authorized to choose its own process and has expertise in assessing Newfoundland Power's annual capital expenditures budget.*⁵

As in 2021 and 2022, the Board's public written hearing of Newfoundland Power's *2024 Capital Budget Application* has been a robust, comprehensive process. It has included a comprehensive written filing with detailed evidence supporting the proposed expenditures, an introductory presentation, an initial round of requests for information ("RFIs"), a detailed technical conference on nine issues identified by the Consumer Advocate, and a second round of RFIs that afforded intervenors the opportunity to request further clarification and to ensure completeness of the evidentiary record. The written hearing also afforded the Consumer Advocate an opportunity to file an expert report.⁶

A total of 308 enumerated RFIs have been answered as part of this proceeding. Including individual components of RFIs, a total of 727 questions were posed as part of this proceeding, which is among the largest amount of information requests ever submitted on a Newfoundland Power capital budget.

Newfoundland Power, therefore, disagrees with the Consumer Advocate that an oral hearing is necessary to ensure the Board's transparent, effective oversight of capital expenditures. The Board has observed that oral hearings can be costly and these costs are passed on to customers.⁷ The principle of regulatory efficiency requires a determination of whether an oral hearing would be in customers' best interests. Newfoundland Power submits that the evidentiary record of this proceeding is sufficient for the Board to gain a full understanding of

³ In 2021, the Consumer Advocate sought leave to appeal Board Order P.U. 12 (2021) due to the absence of an oral hearing. In 2022, the Consumer Advocate sought leave to appeal the Board's established capital budget procedure based, in part, on the Board's refusal to direct an oral hearing. In each case, leave to appeal was denied.

⁴ *Consumer Advocate v. Board of Commissioners of Public Utilities*, 2021 NLCA 50, at paragraph 26.

⁵ *Consumer Advocate v. Board of Commissioners of Public Utilities*, 2022 NLCA 39, at paragraph 37.

⁶ The report titled *Utility Management Responsibility Report* by Midgard Consulting Inc. was filed with the Board on September 21, 2023.

⁷ See the Board's correspondence to the Consumer Advocate regarding *Newfoundland Power Inc. – 2022 Capital Budget Application*, June 25, 2021.

the Application's proposals and, as such, an oral hearing would result in additional costs to customers with no benefit.

This response addresses the issues raised in the Consumer Advocate's Request.

2.0 NEWFOUNDLAND POWER'S RESPONSE

Newfoundland Power observes that, in the Consumer Advocate's Request, the Consumer Advocate has misstated the amount of the proposed 2024 Capital Budget. As repeated elsewhere on the record, proposed capital budget expenditures for 2024 total \$115,252,000.⁸

The Consumer Advocate's Request outlines five specific issues proposed to be interrogated during an oral hearing. The five issues are addressed in detail below.

Issue 1

The Consumer Advocate claims that an oral hearing is necessary to clarify the record relating to capital expenditures required to refurbish and modernize Memorial ("MUN") Substation. In the request for an oral hearing, the Consumer Advocate did not dispute the need for the expenditures outlined in either the proposed 2024 *Memorial Substation Refurbishment and Modernization* project or the previously approved expenditures associated with the replacement of the MUN-T2 transformer. Rather, the Consumer Advocate's position is that Memorial University should pay Newfoundland Power \$6 million for the necessary expenditures.⁹ Cost allocation is generally considered during general rate applications and not as part of capital budget applications.¹⁰

General Service Rate #2.4 customers, such as Memorial University, pay rates that are designed to recover the cost of serving the General Service Rate #2.4 customer rate class as a whole. As a result, the rates paid by Memorial University recover a portion of all costs required to serve the General Service Rate #2.4 rate class. This includes costs associated with all of the substation, transformer, and distribution equipment allocated to the entire rate class. Newfoundland Power's General Service Rate #2.4 was assessed as part of Newfoundland Power's 2022/2023 *General Rate Application* and was determined to be fair.¹¹

⁸ See Newfoundland Power's 2024 *Capital Budget Application*, paragraph 9(a) and the response to Request for Information CA-NP-002.

⁹ See the Consumer Advocate's Request, page 3.

¹⁰ As stated in Newfoundland Power's correspondence dated June 12, 2023, and in the responses to Requests for Information CA-NP-036 and CA-NP-148, Newfoundland Power observes that the load profile of Memorial University is expected to change substantially in the coming years and a review of the rates charged to Memorial University would be appropriate when those changes materialize. Newfoundland Power is also completing an updated rate design review which would also inform the appropriateness of any potential changes in Newfoundland Power's rate designs.

¹¹ See the response to Request for Information CA-NP-148.

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If Memorial University were to pay all of the costs associated with MUN Substation, as the Consumer Advocate asserts, then Memorial University should no longer pay a rate that recovers costs associated with the other General Service Rate #2.4 customers. Effectively, the rate charged to Memorial University would need to be reduced to no longer include substation, transformer, and distribution costs associated with serving the other General Service Rate #2.4 customers. Requiring Memorial University to pay Newfoundland Power \$6 million for all expenditures associated with MUN Substation, while also requiring that it continue to pay a rate that recovers substation, transformer and distribution costs that do not supply Memorial University would be discriminatory. Such a requirement would, therefore, be inconsistent with longstanding regulatory principles exercised by the Board. It would also be inconsistent with the Company's *Schedule of Rates, Rules & Regulations* and would violate the *Electrical Power Control Act, 1994*.

In the Consumer Advocate's Request, the Consumer Advocate compared Memorial University to two other General Service Rate #2.4 customers that were required to pay a Contribution in Aid of Construction ("CIAC").¹² Both customers are mines that are located far from Newfoundland Power's electricity system.¹³ As a condition of their service, Newfoundland Power required the customers to pay a CIAC, since the cost of serving the customers, including the cost of connecting the customers to Newfoundland Power's electrical system, was in excess of the estimated revenues that would have been recovered from the customers through customer rates.

The Consumer Advocate states that "*There is no evidence on the record that when Newfoundland Power imposed the Contribution in Aid of Construction on these customers it filed an application for a rate that no longer recovered a portion of the common transmission and distribution assets from these customers.*"¹⁴ The Consumer Advocate fails to recognize that when a CIAC is required from a customer, it is to ensure the customer is paying all costs beyond what is expected to be recovered in rates. As a result, when a customer pays a CIAC, no change in customer rates would be required since all costs in excess of those recovered from the customer in rates are paid by that customer. Charging a customer, such as Memorial University, a CIAC when the cost of serving that customer is already recovered through the customer's rate would be inappropriate and would necessitate a refund to the customer or a reduced rate.¹⁵ The evidence in this proceeding and previous Board Orders clearly demonstrate that Newfoundland Power requires contributions from Memorial University when appropriate. This includes the \$4.0 million contribution from Memorial University towards the Long Pond

¹² See the Consumer Advocate's Request, page 3.

¹³ See the response to Request for Information CA-NP-156.

¹⁴ See the Consumer Advocate's Request, page 4.

¹⁵ See the response to Request for Information NP-CA-181.

("LPD") Substation and in the CIAC for Memorial University in relation to its electric boiler project.¹⁶

The Consumer Advocate argues that the bulk, if not all, of the MUN Substation costs benefit only Memorial University and that all of the costs should be recovered from Memorial University alone as the sole beneficiary. The evidence on the record of this proceeding demonstrates that certain assets at MUN Substation form part of the St. John's looped 66 kV transmission network. This network provides various levels of redundant supply that benefits approximately 103,000 customers served in St. John's and surrounding areas.¹⁷

Various claims were made in the Consumer Advocate's Request in relation to terminology surrounding *supply points* and a claim that the Board's decision in relation to the replacement of MUN-T2 was inappropriate.¹⁸ Newfoundland Power's approved cost of service methodology, approved *Schedule of Rates, Rules and Regulations*, approved CIAC Policies, and other regulatory principles exercised by the Board in its regulation of Newfoundland Power ensures all costs, including costs associated with *supply points*, are allocated fairly to all of Newfoundland Power's customers. A review of the Board's Order approving the MUN-T2 replacement demonstrates that the Board considered the matter of cost recovery at length.¹⁹ An oral hearing to revisit a previous Board Order is not appropriate and would not contribute to the evidentiary record necessary for the Board to make a decision in relation to Newfoundland Power's *2024 Capital Budget Application*.

In addition to report *2.1 2024 Substation Refurbishment and Modernization* filed as part of the 2024 Capital Budget, the evidence related to cost allocation, the rate charged to Memorial University, the already approved replacement of the MUN-T2 transformer, customer contributions, and the benefits of MUN Substation to the St. John's 66 kV looped transmission network is contained within the responses to the following Requests for Information: CA-NP-029, 030, 031, 032, 033, 034, 035, 036, 037, 089, 093, 098, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 167, and 181. Additional information is included in the responses to Requests for Information PUB-NP-013, 053 and NLH-NP-027. The record of this proceeding is therefore comprehensive and sufficient for the Board to clearly understand the justification for proposed expenditures at MUN Substation in the *2024 Capital*

¹⁶ See the response to Request for Information NLH-NP-027. See also Order No. P.U. 5 (2023) in relation to upgrades required at the LPD Substation to serve Memorial University's new load associated with its electric boiler project. The cost of the upgrade is approximately \$3.3 million. The Additional Load Based Investment, in accordance with the CIAC Policy, was calculated to be \$7.4 million. This demonstrates that the additional revenue associated with Memorial University's new electric boiler load will be sufficient to recover the cost to serve the new load.

¹⁷ The role of MUN Substation in ensuring reliable service to customers other than Memorial University is comprehensively explained in the response to Request for Information PUB-NP-053.

¹⁸ See the Consumer Advocate's Request, page 2.

¹⁹ In P.U. 14 (2023), the Board correctly stated that "*Newfoundland Power's approved cost of service and customer rates do not currently provide for specifically-assigned charges for general service customers. Such a significant change would require a full review of Newfoundland Power's cost of service and customer rates with the input of stakeholders, likely in a general rate application.*"

Budget Application. No additional relevant evidence would be forthcoming through oral testimony. An oral hearing on this matter is therefore not required.

Issue 2

The Consumer Advocate states that an oral hearing is necessary to “*provide greater depth of evidence and understanding*” of the Company’s distribution planning process as it relates to non-wires alternatives (“NWAs”), and asserts that “*otherwise, the Board cannot determine if Newfoundland Power is meeting supply in an environmentally-responsible manner consistent with the Electrical Power Control Act, 1994 and government policy.*”²⁰

Newfoundland Power submits that the evidence filed on the record of this proceeding thoroughly addresses the issues outlined by the Consumer Advocate.

The *2024 Capital Budget Application* has one project where NWAs are relevant to the assessment of alternatives: the proposed *2024 Feeder Additions for Load Growth* project. Report *1.2 Feeder Additions for Load Growth* demonstrates that the feeders proposed for upgrade in 2024 are currently overloaded. The analysis of alternatives demonstrates that the recommended alternative is the least-cost solution to address current overload conditions.²¹ Due to the magnitude of the existing overloads on the feeders, deferring the upgrades to a future period when utility-scale battery systems may become least cost is not possible.²² Doing so would expose customers on these distribution feeders to unnecessary risk of outages. There is also no evidence that the cost of these commercial-grade battery storage technologies will become cost competitive in the future.²³

The Consumer Advocate submits that, with light-duty electric vehicle (“EV”) adoption expected to hit 150,000 vehicles in the province by 2040, there will potentially be 150,000 battery storage facilities located throughout the province for use during periods of need on the system.²⁴ The Consumer Advocate’s Request fails to acknowledge the impact that EV charging could have on system demand in the province. As provided in the response to CA-NP-170, if left unmanaged, the adoption of light-duty EVs could account for 170 MW to 340 MW of peak demand by 2040. Newfoundland Power has provided evidence on the record of this proceeding that the bidirectional charging industry is described as in transition to mass market, while still

²⁰ See the Consumer Advocate’s Request, page 6.

²¹ Commercial-grade battery storage was considered as an alternative to mitigate the three overload conditions outlined in the *2024 Feeder Additions for Load Growth* project. For each overload condition assessed, battery storage was determined not to be a least-cost solution. Capital costs associated with commercial-grade battery storage exceeded the recommended alternatives proposed in the project by \$317,000 to \$930,000.

²² Newfoundland Power’s consideration of NWAs was assessed as part of its *2022 Capital Budget Application*. In Order P.U. 36 (2021), the Board stated, “*The Board’s responsibility in this Application is to assess Newfoundland Power’s proposed capital expenditures for 2022 based on the best information available at this time in the context of current circumstances, including available technology, the existing system and the regulatory framework in which Newfoundland Power operates.*”

²³ See the response to Request for Information CA-NP-169.

²⁴ See the Consumer Advocate’s Request, page 5.

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facing challenges and barriers to deployment at scale.²⁵ It is Newfoundland Power's view that a safe and reliable distribution system will still be required as the penetration of customer generation and other distributed energy resources increases.²⁶

The Consumer Advocate argues that the province should conduct a pilot on NWA's to inform future distribution planning activities.²⁷ Newfoundland Power has filed evidence on the record of this proceeding confirming it considers NWA projects and pilots as part of its capital and electrification, conservation and demand management planning processes. As described above, commercial-grade battery storage was considered as an alternative for the 2024 *Feeder Additions for Load Growth* project. Further, the Company notes that demand management is an NWA. Newfoundland Power has received Board approval for, and is in the process of conducting, an *Electric Vehicle Load Management Pilot Project*.²⁸ This pilot project is therefore a pilot project on an NWA.

Newfoundland Power submits that the record of this proceeding provides a level of information on NWA's adequate for the Board to have a full understanding of the Application's proposals. The record also demonstrates that current distribution planning processes are adequate for the Company's current operations and Newfoundland Power appropriately considers emerging technologies.²⁹ No additional relevant evidence would be forthcoming through oral testimony. An oral hearing on this matter is therefore not required.

Issue 3

The Consumer Advocate states that an oral hearing is necessary because: (i) "*The Board would benefit from hearing an oral cross-examination of Newfoundland Power senior staff about the ongoing asset management review to determine if it is consistent with changes going on in the industry...*" and (ii) "*... such cross-examination would benefit the Board as it moves to finalize the Capital Budget Application Guidelines.*"³⁰

Newfoundland Power submits that oral cross-examination will not elucidate any information on its asset management review that has not already been placed on the record of this proceeding.

Newfoundland Power commenced a review of its asset management practices in 2022. The Company has provided intervenors with a copy of its asset management framework.³¹ The framework provides information on asset management practices and current industry

²⁵ See the response to Request for Information CA-NP-176.

²⁶ See the response to Request for Information CA-NP-170.

²⁷ See the Consumer Advocate's Request, page 6.

²⁸ See the response to Request for Information CA-NP-175.

²⁹ In the response to Request for Information CA-NP-165, Newfoundland Power provided evidence that, for low levels of adoption, distributed energy resource and NWA technology can be accommodated within the existing distribution system planning and operations. With less than 30 net metering customers, Newfoundland Power falls into the low level adoption scenario.

³⁰ See the Consumer Advocate's Request, page 6.

³¹ See the response to Request for Information PUB-NP-016, Attachment A.

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experience, establishes the context in which Newfoundland Power's review is being completed, and outlines the Company's milestones and schedules associated with the review. In addition to providing a copy of the framework, the record of this proceeding includes information on changes implemented to date, major milestones, and gives progress updates on milestones reached.³² The Company has also provided information on the implementation plan of any recommendations stemming from the review.³³ The Company submits that it has provided comprehensive information on the scope and status of its asset management review, and would not be in a position to provide any greater detail in oral testimony.³⁴ Newfoundland Power notes that there are no expenditures proposed in its *2024 Capital Budget Application* related to its asset management review.

In support of the assertion that cross-examination on the subject of Newfoundland Power's asset management review would inform the Board's finalization of its capital budget guidelines, the Consumer Advocate cites the *Utility Management Responsibility Report* by Midgard Consulting Inc. (the "Report"). The Report focuses on the overall capital budget approval process that has been established by the Board, and is not specific to Newfoundland Power's *2024 Capital Budget Application*.³⁵ In correspondence dated June 12, 2023, the Board directed that the 2024 capital budgets of the province's two public utilities should adhere to the current Provisional Guidelines effective January 2022. The Company submits that an oral hearing on Newfoundland Power's *2024 Capital Budget Application* is not the appropriate forum to interrogate the Board's capital budget approval process.

The Board has established a separate process for consideration of its overall capital budget approval process. The Board's *Capital Budget Applications Guidelines Review* (the "Guidelines Review") was established in 2019.³⁶ The Guidelines Review resulted in the development and implementation of the Provisional Guidelines in January 2022. The Guidelines Review has not concluded, and the capital budget guidelines have yet to be finalized.³⁷ The Board's last correspondence to the parties in relation to the Guidelines Review, dated June 12, 2023, indicated that the Board continues to review comments from the parties on potential guidelines changes.

³² See the responses to Requests for Information PUB-NP-017, PUB-NP-054 and CA-NP-012.

³³ See the responses to Requests for Information PUB-NP-018, PUB-NP-054 and PUB-NP-055.

³⁴ See the response to Request for Information PUB-NP-054. The Target State Assessment will be complete in March 2024. The Company will be in a position to provide an update at that time.

³⁵ In the response to Request for Information NP-CA-001, the Consumer Advocate stated, "*It is the Consumer Advocate's view that the Utility Management Responsibility Report is directly relevant to the Board's capital budget approval process.*"

³⁶ As part of the Guidelines Review, the Board retained Midgard Consulting Inc. to conduct a jurisdictional scan.

³⁷ In its correspondence on December 20, 2021, the Board stated, "*Before the provisional guidelines are finalized and the review is concluded, the Board will seek further input from the participants.*"

Issue 4

The Consumer Advocate claims that oral testimony could address perceived issues with the use of a five-year historical average to estimate the budgets of capital programs.³⁸ The Consumer Advocate also submits that an oral hearing could determine whether the use of historical averages is considered industry best practice.³⁹

The record of this proceeding provides comprehensive information on Newfoundland Power's use of historical averages.⁴⁰ The evidence also discloses that historical averages are used by every Canadian utility that files an annual capital budget.⁴¹ Newfoundland Power's practice of using a five-year historical average is longstanding.⁴² The record of this proceeding demonstrates that over the 2013 to 2022 period, Newfoundland Power's annual capital expenditures varied from the budgeted amount by only 2.9%.⁴³

In addition, Newfoundland Power's proposed capital programs are filed in accordance with the Provisional Guidelines.⁴⁴ As previously stated, the Board directed that the 2024 capital budget applications of the province's two public utilities should adhere to the current Provisional Guidelines. Given the ongoing separate process in place for consideration of the Board's overall capital budget framework, the Company submits that an oral hearing on Newfoundland Power's *2024 Capital Budget Application* is not the appropriate forum for exploring "other methods" of budgeting.

As stated in the response to Request for Information CA-NP-200, historical averages are used to forecast expenditures for work that is driven by external factors, such as customer load and connection growth, third-party requests, and patterns of high-volume repair and replacement of equipment vital to the provision of service to customers. The work is typically mandatory, either in light of the statutory obligation to connect and service customers, or includes customer contributions to offset costs. These expenditures are mandatory irrespective of the methods used to estimate them.

Actual expenditures are driven by the actual amount of work required in the budget year. Expenditures are not driven by the budget. As such, the Consumer Advocate's position that use

³⁸ See the Consumer Advocate's Request, page 7.

³⁹ Ibid.

⁴⁰ See the responses to Requests for Information CA-NP-195, CA-NP-196 and CA-NP-200. The Company has provided four years of actual historical expenditures for all programs that rely on an historical average. The evidence is clear that, over that four-year period, budget estimates that conform to this methodology have been reasonably accurate with an overall variance of 10%.

⁴¹ See the response to Request for Information CA-NP-200.

⁴² Ibid.

⁴³ See the response to Request for Information CA-NP-120. The record shows that the Company's estimates remained reasonable through the global pandemic, and years associated with high inflation and supply chain disruption.

⁴⁴ See the Provisional Guidelines, Appendix A, page 12 of 18. Annual program budgets are expected to be "*renewed annually, although volume may ebb and flow across time.*"

of historical averages can perpetuate higher spending is without merit. The submission that using a particular inflationary index can drive expenditures is also without merit for the same reason. This longstanding budgeting methodology ensures that variations in year-over-year expenditures, such as those that may result from the use of improved technology, will be factored into the budget for the upcoming year. Oral testimony is not necessary to expand on these considerations.

Finally, the evidence on the record of this proceeding demonstrates that the Consumer Advocate's submission that inflationary indexes used by the Company are higher than those published by the Conference Board of Canada ("CBOC") is misleading. Since 1999, Newfoundland Power has used the CBOC's GDP deflator for Canada for its non-labour costs. The response to Request for Information CA-NP-202 is clear that the Company's non-labour inflation rates are consistently equal to the CBOC's published rates. The broader record shows that budgets that are forecasted using this methodology have been reasonably accurate in estimating actual expenditures.⁴⁵

As the record surrounding these issues is comprehensive, an oral hearing would not be in the interest of regulatory efficiency.

Issue 5

The Consumer Advocate states that "*it is entitled to an unequivocal answer to CA-NP-207 as to whether Fortis's declared capital budget policy shapes Newfoundland Power's 2024 capital budget application or not.*"⁴⁶

Capital planning at Newfoundland Power is not influenced by Fortis, and Fortis was not involved in the development of the Company's 2024 Capital Budget. The Company's capital planning process determines which expenditures are required annually to provide customers with access to safe and reliable service at the lowest possible cost in an environmentally responsible manner. Newfoundland Power provides its capital plans, including its *2024-2028 Capital Plan* as filed with the Board, to Fortis. These statements were confirmed in the Company's response to Request for Information CA-NP-206.

Newfoundland Power is not involved in the calculations of Fortis' rate base or the preparation of Fortis' growth forecasts. As such, it is unable to provide details to the Consumer Advocate on how Fortis uses the information contained in Newfoundland Power's capital plan. The Company submits that an oral cross-examination of Newfoundland Power personnel will have limited effectiveness in shedding light on how Fortis develops its forecasts, as Newfoundland Power personnel are not involved in these processes.

⁴⁵ See the responses to Requests for Information CA-NP-078, 083, 085, 086, and 095.

⁴⁶ See the Consumer Advocate's Request, page 8.

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3.0 CONCLUSION

The Board's public written hearing process has provided the parties with comprehensive documentary evidence which fully supports all of the proposals in the Application. It has provided intervenors a full and fair opportunity to interrogate the Application's proposals. In Newfoundland Power's view, the Consumer Advocate's Request does not establish that an oral hearing is necessary to assist the Board in gaining a full understanding of the issues to be decided in the Application. The Consumer Advocate has not challenged the justification of any particular project or program proposed in the Application. The Company therefore submits that the Consumer Advocate's Request fails to demonstrate that an oral hearing is required to ensure that proposed 2024 capital expenditures are consistent with the provision of safe and reliable service to customers at least cost and in an environmentally responsible manner. Bearing the cost of an oral hearing would therefore not be in customers' best interests.

Based on the foregoing, it is the Company's view that the Consumer Advocate's request for an oral hearing is not justified and would not further the evidentiary record of this proceeding. The Company submits that the request should be denied.

Yours truly,

NEWFOUNDLAND POWER INC.



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