

Office of the Consumer Advocate

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June 18, 2024

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

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power's July 1, 2024 Customer Rates Application
- Requests for Information

The Consumer Advocate understands that the Board has not yet established a schedule for this matter, but following the lead of Newfoundland and Labrador Hydro ("Hydro"), wishes to advise that it has requests for information pertaining to Newfoundland Power Inc.'s request for July 1, 2024 Customer Rates. The Consumer Advocate is providing these requests for information, attached hereto, in the interests of time, so as to not delay the review of the application.

Should you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,



Stephen Fitzgerald, KC
Counsel to the Consumer Advocate

Encl.

/bb

cc **Newfoundland Power Inc.**
Lindsay Hollett (lhallett@newfoundlandpower.com)
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Board of Commissioners of Public Utilities

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Newfoundland & Labrador Hydro
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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 an application pursuant to
Section 70 of the Act (the “Application”) by
Newfoundland Power Inc. (“Newfoundland Power”)
for approval of: (i) the rate stabilization and municipal
tax adjustments to be applied to electricity rates for the
period July 1, 2024 to June 30, 2025; and (ii) a schedule
of customer electricity rates (“Customer Rates”) for
Newfoundland Power, to be effective on July 1, 2024.

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-001 to CA-NP-003**

Issued: June 18, 2024

- 1 CA-NP-001 Please confirm that the proposed/forecast increase in
 2 Newfoundland Power's rates is 10.75% on July 1, 2024 (including
 3 2.25% Hydro rate mitigation-related increase plus 7% NP
 4 RSA/MTA increase plus NP proposed 1.5% 2024 rate of return on
 5 rate base increase) and 7.75% on July 1, 2025 (2.25% Hydro rate
 6 mitigation-related rate increase plus NP proposed 5.5% GRA
 7 increase). Does this include all rate increases, proposed or forecast,
 8 for implementation by July 1, 2025?
 9
- 10 CA-NP-002 With respect to a 19.3% rate increase over a calendar year:
 11 a) Would a rate increase of this magnitude qualify as rate
 12 shock?
 13 b) How does Newfoundland Power define rate shock and
 14 when action is justified to mitigate the rate increase?
 15 c) With such a rate increase, would not the dampening effect
 16 on demand make NP's expenditure on CDM less needed in
 17 2025 and 2026?
 18
- 19 CA-NP-003 What means are available for alleviating customer rate shock? In
 20 particular, has Newfoundland Power considered:
 21 a) Changing the schedule of its proposed rate increases?
 22 b) A substantive review of its operating expenses in order to
 23 reduce its revenue requirement or considered holding its
 24 rate of return on equity for 2025 and 2026 to its current
 25 level of 8.5%?
 26 c) Limiting its 2025 and 2026 capital budget requests to those
 27 of highest priority so as to reduce future finance and
 28 depreciation costs?

DATED at St. John's, Newfoundland and Labrador, this 18th day of June, 2024.

Per: 

Stephen Fitzgerald, KC

Counsel to the Consumer Advocate

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