

Office of the Consumer Advocate

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September 20, 2024

Via Email

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 Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: Newfoundland Power Inc. - 2025 Capital Budget Application
Request for Technical Conference

Pursuant to the provisional Capital Budget Application Guidelines, ratepayers are requesting a technical conference on expenditures for the proposed capital budget and significant issues associated with the capital budget. The technical conference should address issues, including the following:

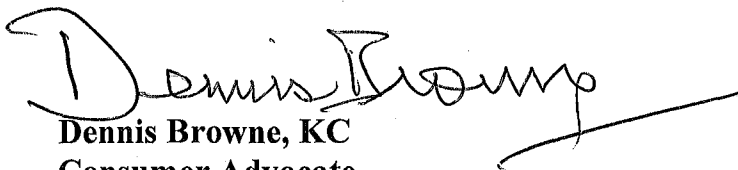
- 1) The trajectory of NP's proposed capital budget expenditures as referenced in CA-NP-004 and CA-NP-054 and how these expenditures will affect customer rates.
- 2) The trajectory of operating expenditures in the capital budget as referenced in CA-NP-005 and the trajectory of the number of customers comparatively.
- 3) The role of SAIDI and SAIFI and how this is being applied by NP in the circumstances. How are SAIDI and SAIFI applied in other jurisdictions with board approved capital budgets? What is Midgard's understanding as referenced in their report as to how SAIDI and SAIFI should be applied?
- 4) Details of the determination and escalation of the components of a program's cost.
- 5) Efficacy of the historical average method for programs where component prices deviate from historical patterns and inflation, e.g., new and replacement transformers.
- 6) The impact of the capital projects and programs forecast in the 2025 CBA in each year and cumulatively from 2025 through 2030 on rate base, rates and NP's return on equity.

- 7) Forecast labour costs - Basing labour costs on internal labour cost forecasts rather than Canadian labour cost forecasts, and the impact of using internal labour costs and how these labour costs are referenced in collective agreements.

It is in the interest of ratepayers for the Board to determine the appropriateness and reasonableness of all proposed capital spending. It must be determined if the resulting rates are reasonable and just and ensure the lowest possible cost consistent with reliable service.

Ratepayers have every right to be able to understand the nature, scope, and justification of all proposed capital expenditures. A technical conference should assist in this regard.

Yours truly,


Dennis Browne, KC
Consumer Advocate

Encl.

/jm

cc **Newfoundland Power Inc.**
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