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2024-09-26

Newfoundland Power Inc.

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Dear Madam/Sirs:

Re: Newfoundland Power Inc. – 2025 Capital Budget Application – Response to Consumer Advocate's Request for Technical Conference

The Board is in receipt of the Consumer Advocate's letter of September 20, 2024, requesting a technical conference on Newfoundland Power's 2025 Capital Budget Application (the "Application"). The Board has reviewed the request and the reply submission of Newfoundland Power filed September 23, 2024, and determined that the request does not meet the technical conference requirements as set out in the **Capital Budget Application Guidelines**.

The Board has previously communicated the criteria for a technical conference. In the Board's letter of October 9, 2020, in relation to the Consumer Advocate's request for a technical conference on Newfoundland Power's 2021 Capital Budget Application, the Board stated:

As set out in the Capital Budget Guidelines, a technical conference is to be used in concert with the request for information (RFI) process to gain a full understanding of the scope and nature of the proposed projects. When used in this way a technical conference can be a very effective process to assist in the review of proposed projects as it allows for a direct exchange of information between the utility and the parties and for follow-up questions, if required. A technical conference can be particularly useful in the case of a capital project which involves complex technical issues which require further exploration and in the case of large capital projects where there are multiple issues and significant expenditures.

Having reviewed the record and considered the submissions, the Board is not satisfied that the seven issues proposed in the Consumer Advocate's request meet the requirements for a technical conference.

Issues 1 (how capital budget expenditures impact rates), 2 (trajectories of operating expenditures and number of customers), 6 (impact on rate base, rates, and return on equity), and 7 (forecast labour costs) are outside the scope of the current Application, and were the subject of inquiry during Newfoundland Power's 2025/2026 General Rate Application (the "2025/2026 GRA").¹

Issue 3 concerning the application of SAIDI/SAIFI by Newfoundland Power has been the subject of several Requests for Information ("RFIs") to date, including the 2025/2026 GRA, the present Application, and in capital budget applications in recent years. The issue of how SAIDI/SAIFI may be applied in other jurisdictions with Board approved capital budgets can be explored through the written process. In relation to Midgard's understanding of how reliability metrics should be applied, Newfoundland Power has stated that it has no information to provide.

Issue 4 concerning the determination and escalation of the components of a program's cost lacks the specificity required for a technical conference. Inquiries concerning this topic can be addressed through the written process.

With respect to issue 5 concerning historical averages, as required by the Board in Order No. P.U. 2(2024), Newfoundland Power has filed a report on the use of historical averages and further information has been provided in the responses to RFIs asked by the parties on this topic. Additional information sought can be provided through the written process.

The schedule for the Application includes a second round of RFIs where the Consumer Advocate can ask additional questions on issues 3, 4, and 5, if necessary. The Board is satisfied that the second round of RFIs will allow the parties to place sufficient information on the record of this proceeding to gain a full understanding of these issues without the need for a technical conference.

The Board will write the parties shortly to provide an updated schedule of dates.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Katie Philpott, by email, kphilpott@pub.nl.ca or telephone (709) 726-3039.

Sincerely,



Stephanie Stack

Stephanie Stack
Assistant Board Secretary

¹ Newfoundland Power's 2025/2026 General Rate Application is currently reserved by the Board for final disposition.

SS/cj

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