



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2024-05-06

Dennis Browne, KC
Consumer Advocate
Browne Fitzgerald Morgan & Avis
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P.O. Box 23135
St. John's, NL A1B 4J9

Dear Sir:

**Re: Newfoundland Power Inc. - 2025-2026 General Rate Application –
To CA - Requests for Information**

Enclosed are Requests for Information PUB-CA-016 to PUB-CA-027 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,

Jo-Anne Galarneau
Board Secretary

JG/cj

ecc **Newfoundland Power Inc.**
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1 **IN THE MATTER OF** the **Public**
2 **Utilities Act**, (the “**Act**”); and
3
4
5 **IN THE MATTER OF** a general rate
6 application by Newfoundland Power Inc.
7 to establish customer electricity rates for
8 2025 and 2026.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-CA-016 to PUB-CA-027

Issued: May 6, 2024

1 **C. Douglas Bowman Report, filed April 17, 2024**
2

3 **PUB-CA-016** C. Douglas Bowman Report, page 3, lines 11-14. Please list all proceedings in Nova
4 Scotia and other Canadian jurisdictions, excluding Newfoundland and Labrador, in
5 which Mr. Bowman has presented evidence on utility cost of service and rate
6 design issues and include the dates such evidence was filed.
7

8 **PUB-CA-017** C. Douglas Bowman Report, page 3, line 35 to page 4, line 5.

9 (i) In Mr. Bowman's opinion is a revision of the Newfoundland Hydro
10 wholesale rate to reflect updated marginal costs a necessary pre-condition
11 before rate design modifications can be made for Newfoundland Power's
12 customers to improve the marginal cost pricing signal for those customers?
13 If yes, please explain why and if not, why does Mr. Bowman recommend
14 that a revised wholesale rate be implemented by January 1, 2025?

15 (ii) Please explain the regulatory process that in Mr. Bowman's opinion is
16 appropriate, including the participation of stakeholders, to review any
17 proposed wholesale rate revision and revised Newfoundland Power
18 customer rates to reflect the updated wholesale rate. In the response
19 include how, in Mr. Bowman's opinion, the views and interests of
20 Newfoundland Hydro's Industrial Customers with respect to a revised
21 wholesale rate for Newfoundland Power would be accommodated in the
22 process.
23

24 **PUB-CA-018** C. Douglas Bowman Report, page 3, line 35 to page 4, line 5. In Mr. Bowman's
25 opinion, if the wholesale rate for Newfoundland Power is not revised and
26 implemented until 2026, should Newfoundland Power's power supply energy
27 costs rates be rebased in this General Rate Application proceeding based on the
28 current wholesale rate? Is Mr. Bowman's opinion the same if the implementation
29 date for a revised wholesale rate is mid-to-late 2025?
30

31 **PUB-CA-019** C. Douglas Bowman Report, page 6, lines 3-6, Recommendation #6. Mr. Bowman
32 recommends that Street and Area Lighting customers pay 100% of the cost of
33 supply rather than the proposed 97.2%, which is a lower cost recovery for these
34 customers than in the last two general rate applications. Is Mr. Bowman's
35 recommendation based on a concern on the declining cost recovery ratio for this
36 customer class or based on use of a range for cost recovery of 90%-110% for
37 assessing the reasonableness of a rate?
38

39 **PUB-CA-020** C. Douglas Bowman Report, page 8, lines 11-20, Recommendations #7 and #8. Mr.
40 Bowman's Recommendation #1 is that a re-designed wholesale rate be submitted
41 by August, 2024 and implemented on January 1, 2025. Recommendation #7 is that
42 Newfoundland Power revised rate structures to reflect the revised wholesale rate
43 be implemented on January 1, 2025 (with those dates most likely to be after the
44 conclusion of the public hearing phase of the current General Rate Application).

1 Please explain how Mr. Bowman concluded that such a schedule is reasonable and
2 achievable and explain the steps and timelines that would be necessary to achieve
3 the recommended implementation date for both a revised wholesale rate and
4 revised Newfoundland Power rate structures.
5

- 6 **PUB-CA-021** C. Douglas Bowman Report, page 8, Recommendation #7. Mr. Bowman
7 recommends that there be a collaborative approach between Newfoundland
8 Power, Newfoundland Hydro and the Consumer Advocate on the design of retail
9 rates with tail-block energy charges that are more reflective of the marginal cost
10 of energy and that the resulting revised rates be implemented on January 1, 2025.
11 (i) Please explain if Mr. Bowman believes that there should be any consultation
12 and feedback from customers prior to changing from the single energy
13 charge rate design for Domestic Customers that has applied historically.
14 (ii) Please explain the process that Mr. Bowman believes is appropriate to review
15 and obtain Board approval within the schedule proposed for any revised
16 rates that may result from the proposed approach.
17

- 18 **PUB-CA-022** C. Douglas Bowman Report, page 16, lines 26-31. Mr. Bowman states that updated
19 load research will “enable the: 1) fair allocation of costs to customer classes in the
20 cost of service study, 2) development of rate designs consistent with cost reduction
21 and government electrification and net-zero emissions efforts”. In Mr. Bowman’s
22 opinion would the load research data expected to be completed in 2025 also be
23 useful and helpful in enabling appropriate revised Newfoundland Power customer
24 rates following a revised wholesale rate structure? If no, why not?
25

- 26 **PUB-CA-023** C. Douglas Bowman Report, page 9, lines 3-9, Recommendation # 11.
27 (i) Please explain whether Mr. Bowman is recommending that Rate 2.4 should
28 be split into two rate classes with a new class created for customers served
29 at transmission voltage and that this be done prior to the completion of the
30 ongoing load research study and rate design review. If yes, please include in
31 the response whether Mr. Bowman is proposing that the new rate would be
32 developed using existing historical load research data.
33 (ii) Please list the expected tasks that would be required to complete prior to
34 implementation of this new rate and explain how this could be accomplished
35 as part of the current General Rate Application proceeding.
36 (iii) Please explain why it is appropriate to create this new rate before the
37 updated load research work and rate design review is completed.
38

- 39 **PUB-CA-024** C. Douglas Bowman Report, page 9, lines 10-19, Recommendation #12. Please
40 explain why the schedule proposed by Mr. Bowman for completion of a cost
41 benefit analysis for AMI metering technology is reasonable and achievable.
42

- 43 **PUB-CA-025** C. Douglas Bowman Report, page 10, lines 1-7, Recommendation #14. Mr.
44 Bowman recommends that a distribution planning guideline be developed in

1 2024. In Mr. Bowman’s opinion would the results from the ongoing asset
 2 management review be helpful in developing and implementing a new distribution
 3 planning guideline?
 4

5 **PUB-CA-026** C. Douglas Bowman Report, page 39, lines 7-10. Mr. Bowman states that
 6 Newfoundland Power’s current metering system is “effectively obsolete”.

7 (i) Please explain the basis for this opinion, including whether Mr. Bowman has
 8 completed a review of the number of Canadian utilities using AMR
 9 technology, the utilities transitioning to AMI technology and those using AMI
 10 technology currently.

11 (ii) Has Mr. Bowman considered or reviewed any industry information which
 12 would provide an estimated timeline on when AMR systems will no longer
 13 be supported by vendors?
 14

15 **PUB-CA-027** C. Douglas Bowman Report, page 40, lines 24-27. Mr. Bowman states “Further,
 16 similar to its LED Street Lighting Replacement program, Newfoundland Power
 17 could replace existing meters that have deteriorated or failed with smart meters
 18 under its Replacement Meters Program, and when connecting new customers to
 19 the distribution network under its New Meters program.” In recommending this
 20 piecemeal approach, explain how Mr. Bowman considered whether such an
 21 approach would be least cost considering:

22 (i) The material upfront costs for implementing an AMI data collection system
 23 which would only be used to serve a small percentage of customers in the
 24 early years of installation;

25 (ii) The increased administration costs and information technology costs of
 26 maintaining both AMR and AMI systems; and

27 (iii) The length of time it may require for a full transition to AMI and the potential
 28 risks of technological redundancy for the AMI system used in the early years
 29 of implementation.

DATED at St. John’s, Newfoundland this 6th day of May, 2024.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Jo-Anne Galarneau
 Board Secretary