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LAWYERS

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March 27, 2017

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

Attention: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – Amended General Rate Application –
Compliance Application – Order No. P.U. 49 (2016) – Grant Thornton Expert
Report and Review Schedule**

Further to the above-captioned, enclosed please find the original and twelve (12) copies of the Consumer Advocate's Request for Information labelled CA-PUB-1.

A copy of this letter, together with enclosure, has been forwarded directly to the parties listed below.

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

Yours truly,



Dennis Browne, Q.C.
Consumer Advocate

/bb

CC **Newfoundland and Labrador Hydro**
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IN THE MATTER OF the *Public Utilities Act*, R.S.N. 1990, Chapter P-47 (the “Act”);

AND IN THE MATTER OF a General Rate Application by Newfoundland and Labrador Hydro to establish customer Electricity rates for 2015;

AND IN MATTER OF an Amended General Rate Application filed by Newfoundland and Labrador Hydro on November 10, 2014;

AND IN THE MATTER OF an application (the GRA Compliance Application) by Newfoundland and Labrador Hydro for Approval of changes to the rates, tolls and charges for the supply of power and energy to customers, and changes to the rules and regulations applicable to the supply of power and energy to customers, reflecting the determinations set out in Order No. P.U. 49 (2016).

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION**

CA-PUB-1

Issued: March 27, 2017

1 CA-PUB-1

2 In reference to Grant Thornton's page 6, note 3, Hydro's Common
3 Equity Component Capital Structure in the Compliance Application
4 is not to exceed 45%.

5 (a) What is Hydro's actual equity component and what comprises
6 Hydro's equity? And what is Hydro's debt and what are the
7 components of Hydro's debt?

8
9 (b) The Electrical Power Control Act requires that the Public
10 Utilities Board (the "PUB"), in carrying out its duties and
11 exercising its powers, will apply tests which are consistent with
12 generally accepted sound public utility practice and also
13 requires that all sources and facilities for the production,
14 transmission and distribution of power in the province should
15 be managed and operated in a manner that would result in
16 power being delivered to consumers in the province at the
17 lowest possible cost consistent with reliable service.
18 Generally, what would be the result on consumer rates if
19 Hydro's common equity component (and indeed
20 Newfoundland Power's for that matter) was set by the Board
21 for rate making purposes as to not to exceed 40% - which is
22 common in other Canadian jurisdictions?

23
24 (c) Generally, should such a 40% equity component result in a
25 lower cost to consumers, rather than a 45% equity component?

26
27 (d) In examining Hydro's compliance and the various costs and
28 expenses found throughout the Report, has Grant Thornton
29 concluded that the delivery of power to consumers at the lowest
30 possible cost is reflected in the rates, costs and expenses and
31 all accounting data referenced throughout the report? And, has
32 Grant Thornton confirmed the same to the PUB?

DATED at St. John's, Newfoundland and Labrador, this 27th day of March, 2017.

Per:



Dennis Browne, Q.C.

Consumer Advocate

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