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HAND DELIVERED

March 29, 2018

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

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: Newfoundland and Labrador Hydro – 2017 General Rate Application

Please find enclosed the original and 13 copies of Newfoundland Power's Requests for Information NP-NLH-265 to NP-NLH-281 in relation to the above noted Application.

For convenience, the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, 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 very truly,

A handwritten signature in blue ink, appearing to read "Gerard Hayes".

Gerard Hayes
Senior Counsel

Enclosures

c. Geoffrey Young
Newfoundland and Labrador Hydro

Paul Coxworthy
Stewart McKelvey

Senwung Luk
Olthuis, Kleer, Townshend LLP

Dennis Browne, QC
Browne Fitzgerald Morgan & Avis

Van Alexopoulos
Iron Ore Company of Canada

Newfoundland Power Inc.

55 Kenmount Road • P.O. Box 8910 • St. John's, NL A1B 3P6

PHONE (709) 737-5609 • FAX (709) 737-2974 • ghayes@newfoundlandpower.com

IN THE MATTER OF the Electrical Power Control Act, 1994, SNL 1994, Chapter E-5.1 and the Public Utilities Act, RSN 1990, Chapter P-47 (the Act);

AND IN THE MATTER OF a General Rate Application (the Application) by Newfoundland and Labrador Hydro to establish customer electricity rates for 2018 and 2019.

**Requests for Information by
Newfoundland Power Inc.**

NP-NLH-265 to NP-NLH-281

March 29, 2018

Requests for Information

Reference: **Summary Report – Additional Cost of Service Information, Section 1.0, page 2, lines 4-8**

NP-NLH-265 Please confirm that the customer impacts related to reductions in revenue requirement associated with 2017 GRA settlement discussions to date have not been included in the customer impacts estimated in the *Additional Cost of Service Information*.

Reference: **Summary Report – Additional Cost of Service Information, Section 2.1, page 2, Table 1, page 3, Table 2, and Section 2.2, page 4, lines 3-6**

NP-NLH-266 (a) Please explain the difference between the figure of \$52.655 million in Table 1, and the figure of \$51 million noted at page 4, line 5, or confirm which figure is correct.

(b) Please explain the difference between the figure of \$68.692 million in Table 2, and the figure of \$67 million noted at page 4, line 5, or confirm which figure is correct.

Reference: **Summary Report – Additional Cost of Service Information, Section 3.2, page 7, lines 13-17**

NP-NLH-267 On what basis is the assumption that “the monthly purchase cost will be 10% lower than the Test Year monthly forecast No. 6 fuel price” a reasonable proxy for off-island purchases in the test years?

NP-NLH-268 If Hydro’s test year fuel forecast is ultimately adjusted to reflect a higher fuel price projection, will the forecast cost of off-island purchases under the Expected Supply Scenario increase accordingly?

Reference: **Summary Report – Additional Cost of Service Information, Section 3.2, page 7, Footnote 19**

NP-NLH-269 Please provide, in aggregate and by date of purchase, the cost of the purchases over the Maritime Link year-to-date, the amount of the purchases in GWh, and the unit cost (¢/kWh) of the purchases.

Reference: **Summary Report – Additional Cost of Service Information, Section 3.2, page 7, Footnote 18**

NP-NLH-270 Does Hydro have a plan to purchase additional supply using either the Labrador Island Link or the Maritime Link to compensate for the potential for new data centres on the Labrador Interconnected System to require a significant portion of the available Recapture Energy?

NP-NLH-271 In addition to the impact new data centres in Labrador will have on the available Recapture Energy; will additional load from the re-establishment of traditional mining operations in Labrador West have a similar impact on the available Recapture Energy?

NP-NLH-272 Has Hydro established a schedule for the development of a network addition policy or for any other policy intended to address the requirements of new customers such as cryptocurrency miners?

Reference: **Summary Report – Additional Cost of Service Information, Section 3.2, page 7, Table 5: Expected Supply from Off-Island Purchases (GWh), Section 4.0, page 12, Table 8: Comparison of Required Increases in Customer Billings for 2018 Test Year and page 13, Table 9: Comparison of Required Increases in Customer Billings for 2019 Test Year**

NP-NLH-273 Table 8 shows that, under the Expected Supply Scenario, the 2018 required billings from customers are reduced by \$12.8 million. This reduction in billings is the result of the expected supply from off-island purchases as assumed in Table 5. Complete the table below for the supply scenarios identified using the same methodology that was used in the creation of Table 8.

Scenario	Supply Source (GWh)			Change In Customer Billing (\$Million)
	Recapture Energy	ML Purchases	Total	
1	388	93	481	(12.8)
2	288	193	481	
3	188	293	481	
4	88	393	481	
5	0	481	481	

NP-NLH-274

Table 9 shows that, under the Expected Supply Scenario, the 2019 required billings from customers are reduced by \$41.9 million. This reduction in billings is the result of the expected supply from off-island purchases as assumed in Table 5. Complete the table below for the supply scenarios identified using the same methodology that was used in the creation of Table 9.

Scenario	Supply Source (GWh)			Change In Customer Billing (\$Million)
	Recapture Energy	ML Purchases	Total	
1	919	41	960	(41.9)
2	819	141	960	
3	719	241	960	
4	619	341	960	
5	519	441	960	
6	419	541	960	
7	319	641	960	
8	219	741	960	
9	119	841	960	
10	0	960	960	

NP-NLH-275

Based on the responses to Requests for Information NP-NLH-273 and NP-NLH-274 above, is there a point where greater reliance on the Maritime Link and lesser availability of Recapture Energy creates a situation where the Expected Supply Scenario may not result in reduced customer billings in either 2018 and/or 2019 as compared to the Revised Deferral Account Scenario? If so, please explain.

Reference:

Summary Report – Additional Cost of Service Information, Section 3.2.

NP-NLH-276

Please provide the revised fuel costs for the Expected Supply Scenario for the 2019 Test Year in the same format as the Revised Fuel Costs for 2019 Test Year shown in Appendix A, page 2 of 2.

NP-NLH-277

Please provide the revised energy production in GWh from the Holyrood Thermal Generating Station and the on-island gas turbines for the Expected Supply Scenario for the 2019 Test Year, together with an explanation of how the figures were calculated.

NP NLH-278

In determining the revised production for the Expected Supply Scenario, what consideration was given to the transmission constraints identified in the Operational Study reports, Stage 1 through 3, as filed with the Board between September 2017 and March 2018?

Reference: **Summary Report – Additional Cost of Service Information, Section 3.4.1, page 9, lines 19-23**

NP-NLH-279 Please explain, in detail, how Hydro derived the conversion rates of 602 kWh per barrel for the 2018 Test Year and 583 kWh per barrel for the 2019 Test Year from the forecast production for each year?

Reference: **Summary Report – Additional Cost of Service Information, Section 5.0, page 15, lines 8-11**

NP-NLH-280 Hydro states that the supply cost forecast in the Expected Supply Scenario is dependent upon the accuracy of the forecast cost of using the Labrador-Island Link and the Labrador Transmission Assets. What assumptions were used in estimating the cost of using the Labrador-Island Link and the Labrador Transmission Assets? Are these fixed costs, or will they vary with energy delivered or another variable?

Reference: **Summary Report – Additional Cost of Service Information, Section 5.0, page 16, lines 9-13**

NP-NLH-281 In Hydro's response to Request for Information PUB-NLH-110 (Revision 1 – December 18, 2017), it is assumed that a significant amount of Muskrat Falls Pre-Commissioning production will be available in 2020. Please provide an estimate of the 2020 balance in the revised Energy Supply Variance Deferral Account attributable to the variance between the cost of off-island supply as assumed for 2020 in the response to Request for Information PUB-NLH-110 (Revision 1 – December 18, 2017) and the Test Year cost of off-island supply.

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 29th day of March, 2018.



NEWFOUNDLAND POWER INC.
P.O. Box 8910
55 Kenmount Road
St. John's, Newfoundland A1B 3P6

Telephone: (709) 737-5609
Telecopier: (709) 737-2974