



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
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2017-12-11

Mr. Paul Coxworthy  
Stewart McKelvey Stirling Scales  
Suite 1100, Cabot Place  
100 New Gower Street  
P.O. Box 5038  
St. John's, NL A1C 5V3

Dear Mr. Coxworthy:

**Re: Newfoundland and Labrador Hydro - 2017 General Rate Application  
Requests for Information**

Enclosed are Information Requests PUB-IC-001 to PUB-IC-006 regarding the above- noted application.

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

Sincerely,

Cheryl Blundon  
Board Secretary

Enclosure

ecc **Newfoundland & Labrador Hydro**  
Ms. Tracey Pennell, E-mail: [traceypennell@nlh.nl.ca](mailto:traceypennell@nlh.nl.ca)  
Mr. Geoff Young, E-mail: [gyoung@nlh.nl.ca](mailto:gyoung@nlh.nl.ca)  
Mr. Alex Templeton, E-mail: [alex.templeton@mcinnescooper.com](mailto:alex.templeton@mcinnescooper.com)  
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**Island Industrial Customers Group**  
Mr. Dean Porter, E-mail: [dporter@poolealthouse.ca](mailto:dporter@poolealthouse.ca)  
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**Labrador Interconnected Group**  
Mr. Senwung Luk, E-mail: [sluk@oktlaw.com](mailto:sluk@oktlaw.com)

1 **IN THE MATTER OF**  
2 the *Electrical Power Control Act, 1994*,  
3 SNL 1994, Chapter E-5.1 (the “*EPCA*”)  
4 and the *Public Utilities Act*, RSNL 1990,  
5 Chapter P-47 (the “*Act*”), as amended; and  
6  
7 **IN THE MATTER OF** a General Rate  
8 Application by Newfoundland and Labrador  
9 Hydro to establish customer electricity rates  
10 for 2018 and 2019.

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**PUBLIC UTILITIES BOARD  
REQUESTS FOR INFORMATION**

**PUB-IC-001 to PUB-IC-006**

**Issued: December 11, 2017**

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1 **Expert Report - InterGroup Consultants Ltd.**

2  
3 **PUB-IC-001** Page 2, lines 6-10 and page 8, lines 16-21. It is stated that the report accepts  
4 Hydro's submission that the revenue requirement be based on the premise that  
5 the island functions as an isolated system and that further comment on this  
6 approach may be provided "once the details on the Off Island Purchases Deferral  
7 account are made available". Please list the details that in Mr. Bowman's opinion  
8 should be provided to allow a full assessment of Hydro's proposed approach to  
9 revenue requirement.

10  
11 **PUB-IC-002** Page 2, lines 36-37. It is stated that the power industry in Canada has seen  
12 movement away from the ELG procedure. Page 15 of the report provides recent  
13 examples of regulatory proceedings dealing with the ELG procedure. Please  
14 provide any additional regulatory precedents that address the appropriateness of  
15 the ELG or the ASL procedure for Canadian utilities.

16  
17 **PUB-IC-003** Page 15, lines 9-11. Does the fact that Newfoundland Power, the other utility in  
18 the province, uses the ELG procedure influence in any way the decision on the  
19 appropriate depreciation procedure for Hydro to use?


20  
21 **PUB-IC-004** Page 28, lines 21-23. It is stated that as the GRA revenue requirement is being set  
22 using a "default" baseline for Holyrood generation, the best estimate of the  
23 "default" scenario should be used in the calculation of the Holyrood conversion  
24 factor, that is, no consideration should be given to the actual loading of the Plant  
25 with off-island purchases. On page 33 of the report, with respect to cost of service,  
26 however, it is recommended that the actual operation of Holyrood with off-island  
27 purchases occurring be taken into account in the classification of the capital costs  
28 of the Plant. Please explain why the isolated island scenario should be used for  
29 revenue requirement purposes but not for cost of service purposes.

30  
31 **PUB-IC-005** Page 28, lines 31-33. It is stated that the Off-Island Purchases Deferral Account  
32 is a "sensible approach" to managing pending significant rate increases. What  
33 other approaches, in Mr. Bowman's opinion, might also be suitable approaches  
34 to addressing the expected significant rate increases?

35  
36 **PUB-IC-006** Page 36, lines 5-9. It is stated that the Handy-Whitman indexed approach is more  
37 appropriate than the current system for calculating specifically assigned charges  
38 if a system is to be used that does not rely on tracking actual O&M. In Mr.  
39 Bowman's opinion are there other approaches to the calculation of specifically  
40 assigned charges that would also be better approaches than the current one and is  
41 a system based on tracking actual O&M the preferred approach?

**DATED** at St. John's, Newfoundland this 11<sup>th</sup> day of December, 2017.

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per  \_\_\_\_\_  
Cheryl Blundon  
Board Secretary