



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: gyoung@nlh.nl.ca

2018-05-04

Mr. Geoff Young
Senior Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Mr. Young:

Re: Newfoundland and Labrador Hydro - 2017 General Rate Application - Approval to Defer the 2015, 2016 and 2017 Balances in the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account and the Holyrood Conversion Rate Deferral Account - Requests for Information

Enclosed are Information Requests PUB-NLH-165 to PUB-NLH-166 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 or by telephone 709-726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

Enclosure

ecc **Newfoundland & Labrador Hydro**
Mr. Alex Templeton, E-mail: alex.templeton@mcinnescooper.com
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
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Labrador Interconnected Group
Mr. Senwung Luk, E-mail: 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
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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; *and*
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12 **IN THE MATTER OF** an application by
13 Newfoundland and Labrador Hydro for approval
14 to defer the balances in: i) the Isolated Systems
15 Supply Cost Variance Deferral Account; ii) the
16 Energy Supply Cost Variance Deferral Account;
17 and iii) the Holyrood Conversion Rate Deferral
18 Account.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-165 to PUB-NLH-166

Issued: May 4, 2018

1 **Deferral of 2015, 2016 and 2017 Supply Costs Application**

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PUB-NLH-165 In its 2018 Utility Customer Interim Rates Application Hydro proposed the recovery of \$65.4 million in deferred supply costs over a 20 month amortization period beginning January 1, 2019 for the Expected Supply Scenario or the recovery could be mitigated through the use of the Off-Island Purchases Deferral Account for the Deferral Account Scenario.

Has Hydro considered any other alternatives for the recovery of the deferred supply costs? If yes, please explain. If no, why not?


PUB-NLH-166 Application for Deferral of 2015, 2016 and 2017 Supply Costs, Schedule 1, page 29: Hydro states that the Isolated Systems Deferral is proposed to refund approximately \$3.3 million to customers as a result of lower than forecasted diesel fuel prices and power purchases in isolated communities.

Hydro’s Interim Rates Application, Schedule 1- Evidence (Revision 1 – April 20, 2018), page 11, states, in relation to wholesale interim rates that it is proposing the recovery of \$65.4 million in deferred supply costs.

Which customers does Hydro propose to refund/charge the balances in the Isolated Systems Supply Cost Variance Deferral Account? Please explain the implications of government directives with respect to rates and the Rural Deficit on the isolated systems for the recovery from customers of positive and negative balances in the Isolated Systems Supply Cost Variance Deferral Account.

DATED at St. John’s, Newfoundland this 4th day of May, 2018.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
Cheryl Blundon
Board Secretary