

# The Consumer Advocate

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August 14, 2019

## Hand Delivered

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

**Attention: G. Cheryl Blundon, Director of  
Corporate Services / Board Secretary**

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – Application for  
Revisions to Cost of Service Methodology  
- Requests for Information**

Further to the above-captioned, enclosed please find enclosed the original and eight (8) copies of the Consumer Advocate's further Requests for Information numbered CA-NP-001 to CA-NP-005 and CA-IC-001.

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

Yours truly,

  
Stephen Fitzgerald  
Counsel for the Consumer Advocate

Encl.  
/bb

cc **Newfoundland and Labrador Hydro:**  
Geoff Young, Q.C. ([gyoung@nlh.nl.ca](mailto:gyoung@nlh.nl.ca))  
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**IN THE MATTER OF**

the Electric Power Control Act, 1994,  
SNL 1994, Chapter E-5.1 (the "EPCA")  
and the Public Utilities Act, RSNL 1990,  
Chapter P-47 (the "Act"); and

**IN THE MATTER OF**

an Application by Newfoundland and Labrador  
Hydro ("*Hydro*") for approval of revisions to its  
Cost of Service Methodology pursuant to Section 3  
of the EPCA (the "*Cost of Service Methodology  
Application*") for use in the determination of test year  
class revenue requirements reflecting the inclusion of  
the Muskrat Falls Project costs upon full commissioning.

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**CONSUMER ADVOCATE  
REQUESTS FOR INFORMATION**

**CA-NP-001 to CA-NP-005**

**Issued: August 14, 2019**

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- 1 CA-NP-001 (Reference CA-NLH-3) The response states “*In the 1992 cost of service*  
2 *methodology hearing, Mr. Larry Brockman, recommended that hydraulic*  
3 *generation classification be based on the equivalent peaker methodology*  
4 *using a 26% demand component and a 74% energy component.*” Please  
5 file for the record Mr. Brockman’s evidence at the 1992 hearing and the  
6 equivalent peaker calculation leading to his recommendation that  
7 hydraulic generation be classified as 26% demand and 74% energy. Has  
8 Mr. Brockman updated his calculation for this hearing? If so, please file  
9 the calculation for the record.  
10
- 11 CA-NP-002 (Reference Pre-filed Evidence of Larry Brockman) It is stated (page 12,  
12 lines 6 to 7) “*the equivalent peaker method is directly related to the cost*  
13 *of the mix of generation upon which generation planning decisions are*  
14 *made.*” This statement was made in reference to the Muskrat Falls  
15 generation. In Mr. Brockman’s experience as a generation planner, is the  
16 equivalent peaker approach relevant to all generation on the system? If not,  
17 what has changed since Mr. Brockman filed evidence at the 1992 hearing  
18 recommending the use of the equivalent peaker approach for all hydro  
19 resources?  
20
- 21 CA-NP-003 (Reference Pre-filed Evidence of Larry Brockman) It is stated (page 12,  
22 lines 11 to 12) “*While the system load factor method does include an*  
23 *energy weighting, it is not rooted in cost causality.*” Please explain this  
24 statement in further detail. In Mr. Brockman’s experience as a generation  
25 planner, is he aware of any jurisdiction that has planned its power system  
26 to meet the system load factor?  
27
- 28 CA-NP-004 (Reference Pre-filed Evidence of Larry Brockman) It is stated (page 12,  
29 lines 11 to 12) “*While the system load factor method does include an*  
30 *energy weighting, it is not rooted in cost causality.*” Would classifying all  
31 hydro generation on the system regardless of vintage on the same basis as  
32 Muskrat Falls with a 20%/80% demand/energy split be more reflective of  
33 cost causality than use of the system load factor method? Please explain.  
34
- 35 CA-NP-005 (Reference Pre-filed Evidence of Larry Brockman) Hydro provides a  
36 methodology for determining the capacity value of wind generation in the  
37 attachment to CA-NLH-11. In Mr. Brockman’s experience as a generation  
38 planner, would a similar approach be appropriate for use in classifying

1 other hydro generation and purchases on the Island Integrated System?  
2 Please explain why or why not.

**DATED** at St. John's, Newfoundland and Labrador, this 14<sup>th</sup> day of August, 2019.

Per:



**Stephen Fitzgerald**

**Counsel for the Consumer Advocate**

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