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HAND DELIVERED

February 21, 2019

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 – 2018 Capital Budget Application

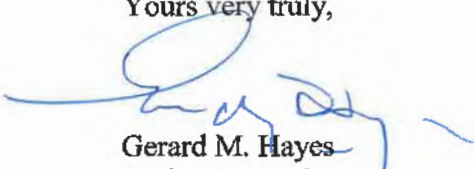
Please find enclosed the original and 10 copies of Newfoundland Power's Requests for Information NP-NLH-033 to NP-NLH-043 in relation to the above noted Application.

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,



Gerard M. Hayes
Senior Counsel

Enclosures

c. Shirley A. Walsh
Newfoundland and Labrador Hydro

Paul Coxworthy
Stewart McKelvey

Denis J. Fleming
Cox & Palmer

Dean Porter
Poole Althouse

Dennis Browne, QC
Browne Fitzgerald Morgan Avis

Senwung Luk
Olthuis Kleer Townshed LLP

Benoit Pepin
Rio Tinto

Newfoundland Power Inc.

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

PHONE (709) 737-5509 • FAX (709) 737-2974 • ghayes@newfoundlandpower.com

IN THE MATTER OF the Public
Utilities Act, (the "Act"); and

IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro for
an Order approving: (1) its 2018 capital budget
pursuant to s.41(1) of the Act; (2) its 2018
capital purchases, and construction projects in
excess of \$50,000 pursuant to s.41(3) (a) of the
Act; (3) its leases in excess of
\$5,000 pursuant to s. 41(3) (b) of the Act;
and (4) its estimated contributions
in aid of construction for 2018 pursuant to
s.41(5) of the Act.

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

NP-NLH-033 to NP-NLH-043

February 21, 2019

Requests for Information

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 1, Lines 1-8.**

NP-NLH-033 Is the proposed Network Additions Policy influenced by the specific circumstances of the Labrador Interconnected System? If so, please describe those circumstances and how they influenced the terms of the policy, including their influence on the 200 kW and 1500 kW thresholds.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 3, Lines 13-25.**

NP-NLH-034 Please explain in detail how the requirement to fund sustaining capital will be applied to the customer. For example, would the customer be required to compensate Hydro in advance of the necessary capital expenditures being incurred? In the response, please address the example of the failure of a specifically assigned transformer, and the financial impact that funding its replacement may have on the customer to whom the transformer is assigned.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Section 2.3.**

NP-NLH-035 How were the demand thresholds of 200 kW and 1500 kW determined? In the response, please indicate why these thresholds are preferable to the thresholds of 100 kW and 1000 kW used to determine the availability of Rates 2.3L and 2.4L.

NP-NLH-036 How will Hydro account for Upstream Capacity Charges collected from customers in the determination of revenue requirements and customer rates?

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 4, Line 14 to Page 5, Line 2.**

NP-NLH-037 Will Hydro charge an Upstream Capacity Charge for existing customers who increase their demand by more than 200 kW without submitting a supply demand request? If yes, please specify which sections of the proposed Network Additions Policy give effect to the application of the Upstream Capacity Charge to existing customers.

NP-NLH-038 If Hydro is proposing to apply an Upstream Capacity Charge to existing customers that increase their demand by more than 200 kW without

submitting a supply demand request, how will Hydro determine that such a demand increase has occurred?

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 5, Table 1.**

NP-NLH-039 Please explain the rationale Hydro used to select the particular capital investments used to determine the Expansion Costs per kW.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 7, Lines 1-5.**

NP-NLH-040 Please provide a reasonably foreseeable scenario, along with the applicable calculations, in which the calculated reliability benefits associated with a new interconnection or transmission upgrade reach or exceed the capital cost.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 8, Lines 4-11.**

NP-NLH-041 Please provide the present value of the forecast demand revenue to be paid by Labrador General Service customers associated with the recovery of transmission network costs. Please express the value in units of \$/kW of monthly billing demand or, if this is not available, in units of \$/kW of class coincident peak.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Page 8, Lines 13-15.**

NP-NLH-042 Please provide evidence that supports Hydro's assertion of a level of uncertainty associated with duration of service for customers who do not meet the definition of Industrial Customers in the proposed Network Additions Policy. If Hydro's concern is with data centres/cryptocurrency customers, please explain why other customers should not receive a revenue credit.

Reference: **Labrador Interconnected System Network Additions Policy, Summary Report, Schedule 1, Page 4 of 23.**

NP-NLH-043 The proposed Network Additions Policy includes the following definition for an Industrial Customer:

“Industrial Customer means a customer in Labrador who is served at Transmission Voltage; whose Peak Demand is 5,000 kW or more; and whose line of business is principally related to Industrial Development.”

The definition of an Industrial Customer in Hydro's *Schedule of Rates, Rules, and Regulations* is as follows:

"Any person purchasing power, other than a retailer, supplied from the Labrador Interconnected bulk transmission grid at voltages of 66kV or greater on the primary side of any transformation equipment directly supplying the person and has entered into a contract with Hydro for the purchase of power and energy (Labrador Industrial Customer)."

Please fully describe Hydro's reasoning for using a different definition of an Industrial Customer in the proposed Network Additions Policy than is used in the *Rates, Rules & Regulations*. In the response, please explain why Hydro has included (i) the criteria of 5,000 kW or more of peak demand, and (ii) a change from "...supplied from the Labrador Interconnected bulk transmission grid at voltages of 66kV or greater on the primary side ..." to "...served at Transmission Voltage...".

RESPECTFULLY SUBMITTED at St. John's, Newfoundland and Labrador, this 21st day of February, 2019.

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