

1 **Q. It is understood that \$6.5 million remains to be refunded to customers. It is also**
2 **understood that NP proposes two more rounds of refund activities. What does NP**
3 **forecast as the cost to administer these final two rounds of refund activities and how**
4 **much does it expect to refund of the remaining \$6.5 million? Has Hydro agreed with**
5 **this approach and has it agreed to pay for these final two rounds of refunds?**

6
7 **A. General**

8 Newfoundland Power received approval of its Customer Refund Plan (the “Plan”) in
9 September 2016.¹ The Plan outlined how the Company would refund to customers
10 approximately \$129 million that had accrued in Hydro’s RSP. The Plan reflected a
11 consensus proposal agreed upon by Newfoundland Power, Hydro and the Consumer
12 Advocate.

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14 At the time of filing Newfoundland Power’s *2019/2020 General Rate Application* on
15 June 1, 2018, the Company had completed 8 rounds of customer refunds. The
16 Application indicated that 2 additional rounds of customer refunds would be completed
17 prior to Plan closeout.²

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19 **Final Refund Activities**

20 Round 9 of customer refunds occurred on Wednesday, August 1, 2018. This date was
21 agreed upon by the 2 utilities, as stipulated in both Newfoundland Power’s and Hydro’s
22 customer refund plans.³ Approximately \$85,000 was refunded to 654 customers during
23 this round.

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25 Billings to Hydro for Plan administration occur on a quarterly basis.⁴ Costs billed by
26 Newfoundland Power to Hydro in Q2 2018 totalled \$12,848. Billings for Q3 2018 will
27 not be finalized until the end of the quarter.

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29 The 10th and final round of customer refunds will occur on September 28, 2018. This
30 date has been agreed upon by the 2 utilities. The amount of refunds and administration
31 costs associated with this round are currently unknown.

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33 As of Q2 2018, approximately \$1.9 million has been incurred by Newfoundland Power to
34 administer customer refunds.⁵ This represents approximately 76% of the total
35 administration costs estimated in the Company’s Plan.⁶ While further administration
36 costs will be incurred as Plan implementation continues, the Company does not expect
37 costs to exceed its initial estimate.

1 The Plan was approved by the Board in Order No. P.U. 35 (2016).

2 See the Company’s *2019/2020 General Rate Application, Volume 2, Supporting Materials, Report 6: RSP Refund Progress Report*.

3 See *Section 3: Payment of Customer Refunds* of Newfoundland Power’s Plan.

4 See *Section 5: Plan Administration* of the Plan.

5 Administration costs exclude recoveries of approximately \$304,000.

6 In the Plan, Newfoundland Power estimated approximately \$2.5 million would be incurred to administer customer refunds.