



Hydro Place, 500 Columbus Drive,
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 f. 709.737.1800
www.nlh.nl.ca

January 31, 2020

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

Attention: Ms. Cheryl Blundon
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Application for Approval of the Construction and Installation of 14 Level 3 Direct Current Fast Chargers and 14 Level 2 Chargers – Newfoundland and Labrador Hydro's Reply

The following is Newfoundland and Labrador Hydro's ("Hydro") reply regarding the above-mentioned application.

Application Background

On December 19, 2019, Hydro filed an application with the Board of Commissioners of Public Utilities ("Board"), pursuant to section 41(3) of the *Public Utilities Act* ("Act"), requesting approval of the capital expenditures for the construction and installation of 14 Direct Current Fast Chargers ("DCFC") and 14 Level 2 Chargers ("Application").

In its Application, Hydro advised that it has secured Government funding for approximately \$1.8 million of the \$2.1 million costs associated with the construction and installation of the above-noted chargers. Hydro will contribute the remaining funds necessary.

On January 10, 2020, Hydro received Requests for Information from the Board and Newfoundland Power Inc. ("Newfoundland Power") to which Hydro responded on January 15, 2020.

Hydro received comments on the application from Newfoundland Power and the Island Industrial Customers on January 28, 2020, neither of whom objected to the approval of the proposed capital expenditures. However, both parties stated their positions that the costs associated with the proposed electric vehicle ("EV") charging network should not be recovered from their respective customers. Newfoundland Power also noted specific issues yet to be addressed by the Board.

Hydro's Response

As noted in Hydro's response to NP-NLH-008, Hydro will not recover the capital costs associated with the charging network from Hydro's regulated customers. Hydro further stated, in its response to PUB-NLH-006, that it may propose to include the Operating and Maintenance costs associated with the project in Hydro's revenue requirement as a Conservation and Demand Management program cost; however, Hydro has yet to make this determination and any proposed recovery would be subject to approval by the Board.

Hydro agrees with Newfoundland Power that the creation of an EV charging network raises a number of questions, including whether the provision of charging services is a "service" under the Act. Hydro advised in its December 19, 2019 correspondence that it will file a further application in the first quarter of 2020 regarding the consideration Hydro intends to recover from EV owners for the charging services Hydro will provide. As noted in Hydro's response to PUB-NLH-008, Hydro intends to make submissions in that application that Hydro's provision of EV chargers for use by general EV owners is not a utility service as contemplated in the Act. That application will provide opportunity for further review by the Board and parties and likely result in the resolution of the remaining issues raised by Newfoundland Power.

Given the foregoing, Hydro respectfully requests that the Board approve Hydro's Application as submitted.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/las

cc: **Newfoundland Power**
Mr. Gerard M. Hayes

Consumer Advocate
Mr. Dennis M. Browne, Q.C, Browne Fitzgerald Morgan & Avis

Industrial Customer Group
Mr. Paul L. Coxworthy, Stewart McKelvey
Mr. Denis J. Fleming, Cox & Palmer

Praxair Canada Inc.
Ms. Sheryl E. Nisenbaum

ecc: **Board of Commissioners of Public Utilities**
Ms. Jacqui Glynn
PUB Official Email

Newfoundland Power
Regulatory Email

Consumer Advocate
Mr. Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis
Ms. Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Ms. Bernice Bailey, Browne Fitzgerald Morgan & Avis

Industrial Customer Group
Mr. Dean A. Porter, Poole Althouse

Teck Resources Limited
Mr. Shawn Kinsella