

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
6 regulations thereunder; and
7
8

9 **IN THE MATTER OF** an application by
10 Newfoundland and Labrador Hydro for an
11 Order approving the acquisition and installation
12 of equipment to connect and integrate a photovoltaic
13 and battery operated storage system at Mary’s
14 Harbour, pursuant to section 41 of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-004

Issued: August 17, 2020

- 1 **PUB-NLH-001** Hydro has filed this Application pursuant to section 41 of the Public Utilities
 2 Act, which describes the utility's responsibilities to obtain the approval of the
 3 Board of capital projects in excess of \$50,000. However, according to page 2,
 4 paragraph 7 of this Application, Hydro is also requesting the Board make an
 5 Order approving a charge to St. Mary's River Energy LLP ("SMRE") which
 6 includes an operations and maintenance factor of 7% of the capital cost to cover
 7 future maintenance requirements.
 8
- 9 (i) Please explain why Hydro is requesting Board approval for the operations
 10 and maintenance component of the charge to SMRE.
 11 (ii) Please provide the rationale for the Board to approve this charge pursuant
 12 to section 41 of the Act, and whether this is the appropriate section of the
 13 legislation.
 14
- 15 **PUB-NLH-002** On page 2, paragraph 7 of the Application, Hydro is requesting the Board to
 16 approve the charge to SMRE of \$532,860 plus HST of \$79,929. Please explain
 17 why Hydro has included the HST component of the charge to SMRE for Board
 18 approval?
 19
- 20 **PUB-NLH-003** (i) Is it Hydro's opinion that the 7% operations and maintenance factor, which
 21 is to be \$34,860 (\$498,000 x 7%), will be sufficient to cover operations and
 22 maintenance costs relating to this capital project for the fifteen year period of
 23 the SMRE Amended and Restated Agreement for the Purchase and Sale of
 24 Energy ("PPA"). If yes, please provide the basis for this opinion.
 25
 26 (ii) Will ratepayers be responsible for any operations and maintenance costs in
 27 excess of the 7% factor should this occur?
 28
 29 (iii) Please identify the assets intended to be covered by the 7% factor.
 30
- 31 **PUB-NLH-004** According to this Application, the estimated capital cost of this project is
 32 \$498,000 and page 2, paragraph 5 of the Application states that SMRE will be
 33 paying all costs associated with this project. However, Article A.1.1 of
 34 Schedule A of the PPA included as Attachment 1 to this Application and page
 35 2 of 4 of the agreement included in Schedule 2 of this Application indicates the
 36 following:
 37
 38 *"Upon the completion of the interconnection, an adjustment shall be made so*
 39 *that if the actual cost exceeds the estimate, the difference shall be paid to Hydro*
 40 *forthwith, provided that the cost is not more than fifteen percent (15%) more*
 41 *than the estimated cost."*
 42
 43 If this Project is intended to be fully contributed, why would SMRE not be
 44 responsible for actual costs in excess of 15% of the estimated costs (estimated
 45 to be approximately \$74,700)? If the actual costs were in excess of 15% of the
 46 estimated costs, would Hydro anticipate recovering the excess from ratepayers?

DATED at St. John's, Newfoundland this 17th day of August, 2020.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary