

1 **IN THE MATTER OF** the Electrical Power
2 Control Act, RSNL 1994, Chapter E-5.1
3 (“EPCA”) and the Public Utilities Act,
4 RSNL 1990, Chapter P-47 (“Act”), and
5 regulations thereunder;
6
7 **AND IN THE MATTER OF** an Application
8 by Newfoundland and Labrador Hydro
9 (“Hydro”) to delay the filing of its next General
10 Rate Application.

11 **REQUESTS FOR INFORMATION OF**
12 **THE ISLAND INDUSTRIAL CUSTOMERS GROUP**

13 **IC–NLH-001** In paragraph 17 of the Application, Hydro states that, if the
14 requested delay is granted, its next General Rate Application may
15 not be filed until mid-2021. In paragraph 14 of the Application,
16 Hydro estimates it will require nine months from the date the
17 revised financial structure for the Muskrat Falls PPA and
18 Government’s rate mitigation plan have been finalized and publicly
19 communicated to prepare its General Rate Application filing.
20 These statements, read together, indicate that Hydro anticipates
21 these preconditions for preparation of its next GRA will be met by
22 Fall 2020. Based on what information does Hydro anticipate these
23 preconditions will be met by Fall 2020? To Hydro’s knowledge or
24 understanding, has this information been updated or revised to
25 reflect the impact of the Covid-19 public health emergency?

26 **IC–NLH-002** In paragraph 10 of the Application, Hydro states
27
28 *“Without knowledge of the revised financial structure... [for the]*
29 *Muskrat Falls PPA, Hydro is unable to determine the power*
30 *purchase costs associated with the Muskrat Falls PPA, which is*
31 *anticipated to be the largest component of its revenue requirement*
for the 2021 Test Year.”

32 But for Hydro’s anticipation that it will incur, in 2021, power
33 purchase costs associated with the Muskrat Falls PPA, would
34 Hydro be proposing a 2021 Test Year as part of this Application?
35 If Hydro anticipated that it would not be incurring power purchase
36 costs associated with the Muskrat Falls PPA until the fourth
37 quarter of 2021, or 2022, would Hydro be proposing a 2021 Test
38 Year?

39 **IC–NLH-003** In paragraph 16 of the Application, Hydro states
40
41 *It remains probable that Hydro will incur costs in 2021 as a result*
of commissioning of the Muskrat Falls Project.

42 Is the foregoing statement based on Hydro’s information or
43 understanding that it can be anticipated that the Muskrat Falls

1 Project, including the Labrador Island Link, will be commissioned
2 sometime in 2021? If so, what is the source of that information or
3 understanding and when in 2021 is this commissioning milestone
4 anticipated to be achieved? To Hydro's knowledge or
5 understanding, has this information been updated or revised to
6 reflect the impact of the Covid-19 public health emergency,
7 including but not limited to the Notice of Force Majeure referred to
8 in paragraph 12 of the Application?

9 **IC-NLH-004** With reference to IC-NLH-003 and paragraph 16 of the
10 Application, what is Hydro's understanding of the criteria and
11 conditions which must be met for determining whether the
12 commissioning of the Muskrat Falls Project has been achieved?

13 **IC-NLH-005** With reference to IC-NLH-003 and paragraph 16 of the
14 Application, are there any costs that would be incurred by Hydro in
15 2021, other than power purchase costs associated with the
16 Muskrat Falls PPA, which would also arise as a result of the
17 commissioning of the Muskrat Falls Project in 2021? If the answer
18 to the foregoing question is "yes", please provide details of those
19 other associated 2021 costs, including their estimated magnitude
20 as compared to the anticipated 2021 power purchase costs.

21 **IC-NLH-006** It would appear that the intention of the Province's rate mitigation
22 plan will be to reduce the impact of the power purchase costs
23 associated with the Muskrat Falls PPA. Assuming that is the case,
24 is it also correct to assume that the rate mitigation plan will, or
25 may, have the effect of reducing Hydro's revenue requirement for
26 2021, even if Hydro begins to incur those power purchase costs in
27 2021?

28 **IC-NLH-007** Hydro, by another Application presently before the Board, is
29 seeking approval for supplemental capital expenditures to
30 maintain the Holyrood HRD as capable of reliable and safe
31 operation to end baseload production, which Hydro apparently
32 anticipates will be to at least March 2022. Has Hydro prepared or
33 obtained any estimates or projections of its Holyrood HRD
34 generation fuel costs for the year 2021, if there is not substantial
35 displacement of Holyrood generation by Muskrat Falls power or
36 other Off-Island power purchases in 2021? If not, by when will
37 Hydro prepare or obtain such estimates or projections?


38 **IC-NLH-008** Please explain how Hydro arrived at the estimate of nine months
39 to prepare its General Rate Application, once the preconditions
40 identified in paragraph 14 of the Application are met. Is it
41 reasonable to anticipate that the length of time, and work required,
42 to prepare the GRA will be dependent on the nature and extent of
43 the directions, to Hydro and possibly to the Public Utilities Board,
44 provided by Government's rate mitigation plan?


45
46

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

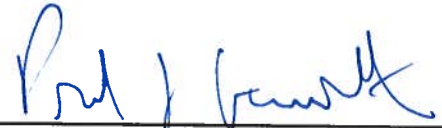
DATED at St. John's, in the Province of Newfoundland and Labrador, this 22nd day of April, 2020.

POOL ALTHOUSE

Per: 


Dean A. Porter



STEWART MCKELVEY

Per: 

Paul L. Coxworthy

COX & PALMER

Per: 

Denis J. Fleming


1 TO: The Board of Commissioners of Public Utilities
2 Suite E210, Prince Charles Building
3 120 Torbay Road
4 P.O. Box 21040
5 St. John's, NL A1A 5B2
6 Attention: Board Secretary

7 TO: Newfoundland & Labrador Hydro
8 Attention: Shirley Walsh

9 TO: Newfoundland Power Inc.
10 Attention: Gerard Hayes

11 TO: The Consumer Advocate
12 Browne Fitzgerald Morgan & Avis
13 Attention: Dennis M. Browne Q.C.

14 TO: Labrador Interconnected Group
15 Olthuis Klear Townshend LLP
16 Attention: Senwung Luk

17

18