



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
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2022-05-13

Paul Coxworthy
Stewart McKelvey
Cabot Place, 100 New Gower Street
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St. John's, NL A1C 5V3


Dear Mr. Coxworthy:

Re: Newfoundland and Labrador Hydro - Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021-2025 Application; and Newfoundland Power Inc. - 2021 Electrification, Conservation and Demand Management Application – To IC - Requests for Information on Expert Report

Enclosed are Requests for Information TC-PUB-IC-001 to TC-PUB-IC-006 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacquelyn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,


Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland and Labrador Hydro**
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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 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro, pursuant
10 to sections 58, 71 and 80 of the *Act*, for the
11 approval of an economic test and deferral of
12 Electrification, Conservation and Demand
13 Management (“*ECDM*”) program costs in the
14 proposed *ECDM* Cost Deferral Account for
15 future recovery through the proposed *ECDM*
16 Cost Recovery Adjustment; and
17

18 **IN THE MATTER OF** an application by
19 Newfoundland and Labrador Hydro, pursuant
20 to section 41(3) of the *Act*, for the approval of
21 supplemental 2021 capital expenditures related
22 to the construction of an electric vehicle charging
23 network; and
24

25 **IN THE MATTER OF** an application by
26 Newfoundland Power Inc. for the approval of an
27 economic test and a deferral account to provide
28 for recovery of costs proposed to be incurred in
29 2021 for customer electrification programs,
30 pursuant to sections 58 and 80 of the *Act*; and
31

32 **IN THE MATTER OF** an application by
33 Newfoundland Power Inc. for the approval of
34 supplemental 2021 capital expenditures related
35 to the construction of an Electric Vehicle Charging
36 Network, pursuant to section 41(3) of the *Act*.
37

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

TC-PUB-IC-001 to TC-PUB-IC-006

Issued: May 13, 2022

- 1 **TC-PUB-IC-001** Reference: Pre-Filed Testimony of Patrick Bowman, page 2, lines 15-18,
 2 InterGroup Consultants Ltd. (“InterGroup”) states that the Modified Total
 3 Resource Cost test (“mTRC”) and Total Resource Cost test (“TRC”) should
 4 be used as a secondary test, with the Program Administrator Cost (“PAC”)
 5 test, Net Present Value (“NPV”) test, and assessment of rate impacts as the
 6 primary tools for assessment.
 7
 8 a) Footnote 1, page 2 references “an equivalent NPV analysis”. Please
 9 advise whether the NPV test and the equivalent NPV analysis are two
 10 different tools used for assessment. If so, please explain the difference
 11 between them.
 12
 13 b) Please advise whether InterGroup’s opinion that the mTRC (and TRC)
 14 test should be used as a secondary test also applies to the application of
 15 the TRC test currently approved by the Board in Order No. P.U.
 16 18(2016) for the evaluation of CDM programs.
 17
 18 c) Please confirm that it is InterGroup’s opinion that it is appropriate for
 19 the Utilities to use an NPV test, similar to what is provided in the
 20 Application, and a PAC test as primary tests and use the mTRC/TRC
 21 test as a secondary test to evaluate electrification and CDM programs.
 22
- 23 **TC-PUB-IC-002** Reference: Pre-Filed Testimony of Patrick Bowman, page 3, lines 17-26,
 24 InterGroup notes that the National Standard Practice Manual also stipulates
 25 that rate impacts are an important part of the assessment and “should be
 26 examined using separate analyses” over and above any cost benefit tests
 27 which are not focused on rates, such as TRC and PAC.
 28
 29 a) Page A-4 of the National Standard Practice Manual provides a list of
 30 six limitations of the Rate Impact Measure test (“RIM”). Please explain
 31 why InterGroup is recommending an assessment of rate impacts, such
 32 as the RIM Test, as a primary tool for assessment.
 33
 34 b) Should tests, such as the RIM test and NPV test, that focus on rates and
 35 not cost effectiveness be considered a secondary analysis in the
 36 evaluation of CDM/electrification programs after the cost benefit tests
 37 determine that the programs are cost effective? Please reconcile with
 38 the statement noted in TC-PUB-IC-001.
 39
- 40 **TC-PUB-IC-003** Reference: Pre-Filed Testimony of Patrick Bowman, page 3, lines 7-14,
 41 InterGroup explains that the TRC/mTRC test measures the impact on the
 42 utility and participating customers collectively, and a positive TRC/mTRC
 43 can still lead to any of the utility, participating customers, or non-
 44 participating customers being materially worse off from the CDM program
 45 which is why a complementary utility-specific and customer-specific test are
 46 typically required.
 47
 48 a) Please confirm that the PAC test is an appropriate utility-focused test
 49 to be used in measuring the cost effectiveness of electrification

1 programs. If not, please explain why and what other tests should be
2 considered.

3
4 b) What customer-specific tests are used in other jurisdictions, and does
5 InterGroup have a recommendation for the appropriate customer-
6 specific test to be used by the Utilities in measuring the cost
7 effectiveness of electrification programs?
8

9 **TC-PUB-IC-004** Reference: Pre-Filed Testimony of Patrick Bowman, page 4, lines 10-19 and
10 lines 20-21, InterGroup states that the need to mitigate rate levels is an acute
11 policy objective and that the province has noted that rates are the priority.
12

13 a) Please provide the support/documentation that InterGroup is relying
14 on that specifically states rate mitigation is the priority policy goal for
15 the provision of electricity in the province.
16


17 b) InterGroup notes that Step 1 in the National Standard Practice Manual
18 is to “Articulate Applicable Policy Goals”. In InterGroup’s opinion,
19 who is responsible for determining the priority policy goals for a
20 particular jurisdiction: the province, the regulator, and/or the Utilities?
21

22 **TC-PUB-IC-005** Reference: Pre-Filed Testimony of Patrick Bowman, page 5-6, under “Tools
23 for CDM/ECDM Screening”, InterGroup explains that the measures of cost
24 effectiveness of CDM focus on one of three areas: utility focused tests,
25 customer focused tests and consolidated, or societal tests. Please provide the
26 tests that other Canadian jurisdictions use to measure the cost effectiveness
27 and rate impacts for CDM/Electrification programs, and what tests are
28 considered to be primary and secondary.
29

30 **TC-PUB-IC-006** Reference: Pre-Filed Testimony of Patrick Bowman, page 8, lines 1-14,
31 InterGroup explains that the NPV test included in Appendix A of Hydro’s
32 Application is much more akin to the RIM test. Please confirm that
33 InterGroup is supportive of the use of the NPV test as an alternative to the
34 RIM test of assessing the impact on rates.

DATED at St. John’s, Newfoundland and Labrador, this 13th day of May, 2022.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
Cheryl Blundon
Board Secretary