

Office of the Consumer Advocate

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July 15, 2021

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of
Corporate Services / Board Secretary**

Dear Ms. Blundon:

**Re: Newfoundland Power Inc. – 2021-2025 Electrification,
Conservation and Demand Application**

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NP-039 to CA-NP-067.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,


Dennis Browne, Q.C.
Consumer Advocate

Encl.
/bb

cc **Newfoundland Power Inc.**
NP Regulatory (regulatory@newfoundlandpower.com)
Dominic Power (dpower@newfoundlandpower.com)
Lindsay Hollett (lhollett@newfoundlandpower.com)

Newfoundland and Labrador Hydro
NLH Regulatory (NLHRegulatory@nlh.nl.ca)
Shirley Walsh (shirleywalsh@nlh.nl.ca)

Board of Commissioners of Public Utilities
Jacqui Glynn (jglynn@pub.nl.ca)
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IN THE MATTER OF the *Public Utilities Act*
(the “Act”); and

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

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

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-039 to CA-NP-067**

Issued: July 15, 2021

- 1 CA-NP-039 (Reference Application)
- 2 a) Why was a technical conference not held on the Hydro and
- 3 Newfoundland Power electrification partnership program before filing
- 4 the respective electrification Applications?
- 5 b) Are there plans for Hydro and Newfoundland Power to hold a technical
- 6 conference on the electrification program?
- 7
- 8 CA-NP-040 (Reference Application)
- 9 a) Provide a comparison of proposals made by Newfoundland Power and
- 10 its ECDM partner, Hydro, for the following. Provide the rationale for
- 11 any differences in approach:
- 12 (i) CDM cost recovery for Island customers identifying those costs
- 13 to be recovered in a deferral account and those to be included in
- 14 rate base.
- 15 (ii) Electrification cost recovery for Island customers identifying
- 16 those costs to be recovered in a deferral account and those to be
- 17 included in rate base.
- 18
- 19 CA-NP-041 (Reference Application)
- 20 (a) Will the Electrification Cost Deferral Account be included in regulated
- 21 rate base?
- 22 a) Are any of Newfoundland Power's deferral accounts included in
- 23 regulated rate base?
- 24 b) If so, which ones?
- 25 c) Provide the rationale for including a deferral account in regulated rate
- 26 base.
- 27
- 28 CA-NP-042 (Reference Application) What would be the impact on revenue requirement
- 29 and customer rates if Newfoundland Power were to include capital for
- 30 charging stations in a deferral account rather than in regulated rate base as
- 31 proposed?
- 32
- 33 CA-NP-043 (Reference Application) Provide a comparison of Newfoundland Power
- 34 and Hydro Net Present Value analyses for capital investment in
- 35 electrification indicating the incremental WACC and income tax rate.
- 36 Provide the difference in cost to ratepayers (both gross and on a net present
- 37 value basis) if the capital investment by Newfoundland Power attracted no
- 38 income tax and had the same WACC as Hydro.
- 39
- 40 CA-NP-044 (Reference Application) Provide a comparison of Newfoundland Power
- 41 and Hydro costs to build, own and operate charging stations. Base the
- 42 comparison on the assumption that each utility would construct charging
- 43 station infrastructure of \$1 million in 2022. Assume no government funding
- 44 and include tax impacts in the comparison. Further, show impacts on

1 revenue requirement and rates based on each utility's proposed recovery
2 method for charging station capital costs.

3
4 CA-NP-045

(Reference Application)

- 5 a) With respect to construction, ownership and operation of charging
6 station infrastructure, what benefit does Newfoundland Power's ECDM
7 partner Hydro bring to the program that are over and above those that
8 Newfoundland Power can provide?
9 b) What benefits does Newfoundland Power bring to the partnership with
10 respect to construction, ownership and operation of charging station
11 infrastructure that are over and above those that Hydro can provide?
12 c) In effect, how do customers benefit from this partnership with respect
13 to construction, ownership and operation of charging station
14 infrastructure?
15

16 CA-NP-046

(Reference Application)

- 17 a) How do customers benefit from this partnership between Hydro and
18 Newfoundland Power with respect to construction, ownership and
19 operation of charging station infrastructure over the private sector, if
20 Government, Hydro or Newfoundland Power provide incentives such as
21 low interest loans, capital contributions, etc. to promote private sector
22 participation?
23 b) Would this approach be similar to the approach followed for CDM
24 programs?
25 c) Does Newfoundland Power construct, own and operate infrastructure in
26 any of its CDM programs? If so, please provide details.
27

28 CA-NP-047

(Reference Application) What are Newfoundland Power's plans if the
29 Board does not approve its proposed EV charging station infrastructure, or
30 approves it with modifications?
31

32 CA-NP-048

(Reference Application)

- 33 a) Did Newfoundland Power consider undertaking the installation of the
34 proposed EV charging network as a non-regulated service, with the
35 costs recoverable through sources of revenue other than Newfoundland
36 Power's regulated rate base?
37 b) If yes, please provide all analyses and reports that have been prepared
38 by independent consultants or Newfoundland Power staff exploring this
39 option.
40 c) If no, please explain why the option was not considered.
41

42 CA-NP-049

(Reference Application)

- 43 a) Did Newfoundland Power consider undertaking the installation of the
44 proposed EV charging network in partnership with private sector

- 1 businesses, such as highway service stations and other businesses
2 providing services to travelers?
- 3 b) If yes, please provide all analyses and reports that have been prepared
4 by independent consultants or Newfoundland Power staff exploring this
5 option.
- 6 c) If no, please explain why the option was not considered.
7
- 8 CA-NP-050 (Reference Application) Please provide a detailed description of the
9 approach to implementing an EV charging network in Newfoundland that
10 would minimize the subsidy required from Newfoundland Power customers
11 (through the inclusion of costs in rate base) or an alternate source such as
12 the Provincial or Federal government.
13
- 14 CA-NP-051 (Reference Application) Please provide a list of all alternate sources of
15 funding of the EV charging network (including government programs) that
16 are potentially available to Newfoundland Power for this project as well as
17 the actions taken and the results of actions taken to access alternate sources
18 of funding.
19
- 20 CA-NP-052 (Reference Application) Please provide a list of other Canadian integrated
21 electric utilities and for each one provide: (i) details of its investment in EV
22 charging stations, if any, and (ii) the sources of funding utilized to recover
23 the costs of the EV charging stations.
24
- 25 CA-NP-053 (Reference Application)
26 a) Has Newfoundland Power calculated the benefit to cost ratios of time-
27 of-use rates for its customers?
28 b) How do they compare to benefit to cost ratios of CDM and
29 electrification programs?
30
- 31 CA-NP-054 (Reference Application) With respect to managing peak demand increases
32 associated with electrification programs:
33 a) How will Newfoundland Power manage the peak demand increase?
34 b) What would it cost to meet the additional peak demand requirements
35 brought on by the proposed electrification program assuming CDM
36 programs are the same with or without the proposed electrification
37 program?
38
- 39 CA-NP-055 (Reference Application)
40 a) Would there be any difference with respect to rate mitigation impacts if
41 the private sector were provided appropriate incentives to build, own
42 and operate the charging stations?
43 b) Would this approach reduce the risks to consumers?
44

- 1 CA-NP-056 (Reference Application)
- 2 a) Are Hydro and Newfoundland Power proposing different cost recovery
- 3 periods for CDM?
- 4 b) If so, provide the rationale for having different cost recovery periods.
- 5
- 6 CA-NP-057 (Reference Hydro's ECDM Application, Schedule 1 – Evidence, page 6) It
- 7 is stated “*Given EV charging has been determined to not be considered a*
- 8 *public utility service, Hydro is not seeking to include these assets in its rate*
- 9 *base as a capital asset.*” It is understood that Hydro and Newfoundland
- 10 Power jointly developed the Province's electrification program.
- 11 a) Does Newfoundland Power agree with Hydro's statement?
- 12 b) Does Newfoundland Power plan to re-submit or abandon the component
- 13 of its application relating to charging stations?
- 14
- 15 CA-NP-058 (Reference Application)
- 16 a) How much benefit in terms of rate mitigation is Newfoundland Power's
- 17 proposed electrification program expected to provide customers?
- 18 b) What level of accuracy does Newfoundland Power place on the
- 19 estimated rate mitigation benefit, how much does the rate mitigation
- 20 amount equate to annually, on average and in percentage terms, how
- 21 does this compare to Newfoundland Power's revenue requirement
- 22 proposed for the 2022 test year (in the NP 2022-2023 GRA)?
- 23 c) Please quantify the risk that the proposed charging station infrastructure
- 24 program places on customers.
- 25
- 26 CA-NP-059 (Reference Application) If the revenues from the proposed EV charging
- 27 network were to be less than anticipated and resulted in a loss, then how
- 28 would Newfoundland Power recover this loss?
- 29
- 30 CA-NP-060 (Reference Application) With respect to EV charger technology:
- 31 a) Provide a history of charger technology development.
- 32 b) When does Newfoundland Power predict that Level 3 DCFC technology
- 33 will be superseded by a more advanced technology, potentially resulting
- 34 in stranded assets?
- 35 c) Please provide the reference in the Application that discusses the risks
- 36 of charger station obsolescence, how the risk will be managed and how
- 37 customers will be held harmless. Further, provide all documentation
- 38 showing that customers have expressed a willingness to take on this risk.
- 39
- 40 CA-NP-061 (Reference Application) With respect to proposed charger station
- 41 infrastructure:
- 42 a) What will be the typical size of the proposed charger stations?
- 43 b) How many customers will be able to charge their EVs at the same time?

- 1 c) What criteria were used to determine the optimum sized charging
2 station?
3 d) Is Hydro proposing a similar design for its charging stations?
4
- 5 CA-NP-062 (Reference Application)
6 a) If Newfoundland Power was granted approval to construct and operate
7 a public charging network, in addition to the network currently operated
8 by Hydro, would this result in duplication of operating and maintenance
9 costs borne by ratepayers?
10 b) How does Newfoundland Power propose to ensure that customers pay
11 no duplication costs?
12
- 13 CA-NP-063 (Reference Application)
14 a) If the cost for Newfoundland Power to construct and operate a charging
15 network is greater than that of Hydro, please explain how this proposal
16 is consistent with Newfoundland Power's legislative requirement to
17 provide least cost service.
18 b) Further, if the cost for Newfoundland Power to construct and operate a
19 charging network is greater than that of the private sector encouraged
20 through appropriate incentives, please explain how this proposal is
21 consistent with Newfoundland Power's legislative requirement to
22 provide least cost service.
23
- 24 CA-NP-064 (Reference Application)
25 a) Would Newfoundland Power be amenable to Hydro owning and
26 operating all public charging assets in the province?
27 b) If not, why not?
28
- 29 CA-NP-065 (Reference Application)
30 a) Would Newfoundland Power be amenable to the private sector,
31 encouraged through appropriate incentives, owning and operating all
32 public charging assets in the province?
33 b) If not, why not?
34
- 35 CA-NP-066 Please cite the statutory regulatory authority which provides the Board with
36 jurisdiction to consider this Application.
37
- 38 CA-NP-067 Please inform as to Newfoundland Power's proposal to compensate
39 ratepayers for the use of ratepayer facilities to subsidize this new business
40 opportunity for Newfoundland Power.

DATED at St. John's, Newfoundland and Labrador, this 15th day of July, 2021.

Per:



Dennis Browne, Q.C.

Counsel for the Consumer Advocate

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