

# Office of the Consumer Advocate

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June 22, 2021

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

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

Dear Ms. Blundon:

**Re: Newfoundland Power Inc. - Application for Approval of July 1, 2021 Customer Rates**

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On June 10, 2021 Newfoundland Power (“NP”) submitted to the Public Utilities PUB (the “PUB”) an Application for Approval of July 1, 2021 Customer Rates (“Application”). On June 14, 2021 the PUB set the review schedule which allows the parties to make written submissions by June 22, 2021. This document is the written submission of the Consumer Advocate.

The Consumer Advocate is concerned that the Hydro RSP adjustment and Newfoundland Power RSA adjustment are based on different forecasts of the Newfoundland Power load. The RSP adjustment is for the most part a pass-through to Newfoundland Power customers of Hydro’s RSP adjustment. We understand that the difference in load forecasts is significant at about 55 MW, and is owing to a divergence in views concerning the impact that conversions in the Province from baseboard heating to heat pumps is having on demand.

The Consumer Advocate maintains that the PUB cannot make a regulatory decision on this Application before this difference in load forecast is resolved owing to its materiality. Newfoundland Power states in its 2022/2023 General Rate Application (page 1-9, lines 6 to 9) “*The third change relates to the recovery of wholesale supply costs from forecast energy sales. A general rate application requires forecast supply costs to be reconciled*”

*supply costs and revenue from energy sales results in a 2.7% decrease in the revenue required from customer rates.”*

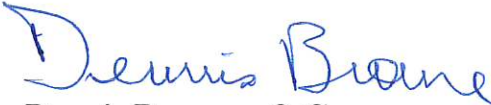
Clearly, the load assumed in the RSA rate adjustment calculation and Newfoundland Power’s 2022/2023 GRA has a material impact on rates, so resolution of this issue should be the priority before implementing any new rates.

In summary, the Consumer Advocate requests that the PUB delay a decision on this Application until this load issue is properly resolved. Otherwise, the PUB is making a decision on the basis of faulty information, potentially leading to a need for re-filing and the associated regulatory inefficiencies that would result.

However, if the PUB accepts Newfoundland Power’s load forecast, rebalancing the 2022 and 2023 supply costs and revenue from energy sales results in a 2.7% decrease in the revenue required from customer rates. Based on this evidence Newfoundland Power is submitting, this decrease should be applied now in the rate adjustment calculation and not dealt with in the GRA.

Please contact the undersigned if you have any questions on this submission.

Yours truly,

  
**Dennis Browne, Q.C.**

/ss

cc **Newfoundland & Labrador Hydro**  
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