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December 12, 2022

Paul L. Coxworthy
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Via Electronic Mail

Newfoundland and Labrador Board of Commissioners of Public Utilities
120 Torbay Road
P.O. Box 21040
St. John's, NL A1A 5B2

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

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro- Non-Firm Rates Application

Enclosed please find the Island Industrial Customers Group Requests for Information IC-NLH-001 to 006 dated December 12, 2022 in relation to the above noted Application.

We trust this is in order.

Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/tas

Enclosures

ecc. Board of Commissioners of Public Utilities
Cheryl Blundon
PUB Official Email
Newfoundland and Labrador Hydro
Shirley Walsh
NLH Regulatory
Kimberley Duggan
Newfoundland Power
Dominic Foley
Consumer Advocate
Dennis Browne, K.C., Brown Fitzgerald Morgan & Avis
Labrador Interconnected Group
Senwung Luk, Olthuis Kleer Townshend LLP

Newfoundland and Labrador
Board of the Commissioners
of Public Utilities
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Blochchain Labrador Corp

Paul Dicks and Megan Reynolds, Benson Buffett

Iron Ore Company of Canada

Greg Moores, Stewart McKelvey

Envoum Corp

Ali Amadee, Dentons Canada LLP

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, 1994, SNL 1994, Chapter
3 E-5.1 ("EPCA") and the *Public Utilities Act*
4 RSNL 1990, Chapter P-47 ("Act"), and
5 regulations thereunder; and
6

7 **IN THE MATTER OF** an Application by
8 Newfoundland and Labrador Hydro
9 ("Hydro") pursuant to Section 70 of the
10 Act for approval of a rate for Non-Firm
11 Service in Labrador and other
12 associated matters ("Application").
13

14 To: The Board of Commissioners of Public Utilities
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16

17 **REQUESTS FOR INFORMATION OF THE ISLAND INDUSTRIAL CUSTOMER GROUP**
18 **IC-NLH-001 TO IC-NLH-006**
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20

21 **IC-NLH-001** Reference: Island Industrial Non-Firm Proposal

22 Schedule 3, page 3 of 5, indicates the rate weightings applied to each
23 market (ISO New England Mass Hub and NYISO Zone A) will reflect the
24 percentage of kW.h exports sold for the previous calendar month. Hydro
25 also indicates the rate will be provided to the customers on the 21st day of
26 the month preceding the month for which the rate is being set. Which month
27 is the "previous calendar month" for the purposes of the weighting? For
28 example, if the price is for October, and the price commitment is sent out
29 by Hydro on September 21, is the weighting based on exports in August?

30
31 **IC-NLH -002** Reference: Christensen study, Schedule 1 Attachment 2

32 At Table 1 (page 6), Christensen lists 5 surplus energy programs
33 offered by utilities in Canada. For each option listed, please confirm if
34 the program is available solely or primarily to customers who otherwise
35 take firm power from the utility, or if the program is available to
36 customers who solely or primarily take non-firm power from the utility.
37 Please provide references or explanations for the answer.

38 If there are other surplus energy programs Hydro has investigated,
39 please provide similar information for those programs.
40

1 **IC-NLH -003** Reference: Island Industrial Non-Firm Proposal, non-firm capacity
2 limits.

3 Will the individual non-firm limits (MW) from the respective Island
4 industrial contracts still be in place if the Non-Firm Proposal is
5 approved? Why or why not? If the individual non-firm limits are not
6 intended to stay in place, how and when would the non-firm limits be
7 changed? If individual non-firm limits are intended to stay in place,
8 please indicate the principles relied upon by Hydro to continue to
9 impose non-firm limits in light of the change to market pricing and the
10 principles applied to establishing capacity limits in Labrador.

11 **IC-NLH -004** Reference: Island Industrial Non-Firm Proposal – thermal rate –
12 Schedule 1, page 13

13 Hydro indicates that the utility needs to “continue to have the option to
14 apply thermal fuel costs as an incremental cost in computing the non-
15 firm rate”.

16 Please provide a detailed description of how Hydro would apply the
17 thermal fuel cost rate. For example, would it apply anytime Holyrood is
18 operating, or only when Holyrood is the marginal supply source and
19 opportunity exports have been curtailed? How soon would the rate
20 apply to industrial customers under this operating condition? Would the
21 customers be notified in all cases before the thermal rate was applied?
22 How would customers be notified? If the customers wanted to avoid
23 being exposed to the thermal rate, how quickly would they have to
24 curtail use? What if the Holyrood rate is lower than the non-firm rate
25 that otherwise prevailed in the period?

26
27 **IC-NLH -005** Reference: Cost of Service implications of Labrador Rate

28 Please provide a detailed comparison of the cost implications to Island
29 customers from growth in usage of the Labrador Non-Firm rate. Please
30 provide the net revenue requirement implications of a given load, say 5
31 MW, being sold as exports (either NYISO or New England) versus sold
32 as Labrador Non-firm rates. Please ensure the illustration is clear about
33 (a) where the export revenues reside in terms of system (Labrador,
34 Island, shared Labrador/Island, shareholder) without the non-firm sale,
35 versus (b) where the non-firm revenues reside in the case of a non-firm
36 Labrador sale. Does 5 MW used in Labrador via a non-firm sale lead to
37 the same revenue requirement outcome for all customers as a 5 MW
38 export at the same pricing?

39

1 **IC-NLH -006**

Reference: Granular pricing- Island Industrial Customers



2 What would be the barriers to Hydro moving to each of the following
3 forms of pricing, which would add granularity to the rate offering, and how
4 quickly could such a move be made if it was considered desirable:

- 5 a) weekly pricing variations
- 6 b) 3 period pricing (i.e., on-peak/off-peak/shoulder, similar to that used
- 7 by Manitoba Hydro)

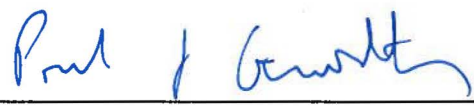
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9 **DATED** at St. John's, Newfoundland and Labrador, this 12th day of December, 2022.

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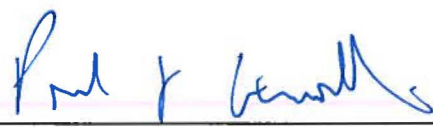

POOLE ALTHOUSE

Per: 
Dean A. Porter


STEWART MCKELVEY

Per: 
Paul L. Coxworthy

COX & PALMER

Per: 
Denis J. Fleming


<p>Newfoundland and Labrador Board of Commissioners of Public Utilities Cheryl Blundon 120 Torbay Road P.O. Box 21040 St. John's, NL A1A 5B2</p>	<p>Newfoundland Power Inc. Dominic Foley 55 Kenmount Road PO Box 8910 St. John's, NL A1B 3P6 email: dfoley@newfoundlandpower.com</p>
<p>Consumer Advocate Dennis Browne, K.C. Browne Fitzgerald Morgan Avis Terrace on the Square, Level 2 PO Box 23135 St. John's, NL A1B 4J9 email: dbrowne@bfma-law.com</p>	<p>Blockchain Labrador Corp. Paul D. Dicks, K.C. and Megan S. Reynolds Suite 900 Atlantic Place 215 Water Street, St. John's, NL A1C 5N8 email: pdicks@bensoffett.com</p>
<p>Labrador Interconnected Group Senwung Luk Olthuis Kleer Townshend LLP 250 University Ave, 8th Floor Toronto, ON M5H 3E5 email: sluk@oktlaw.com</p>	<p>Iron Ore Company of Canada Greg Moores Stewart McKelvey 100 New Gower Street, Suite 1100 St. John's, NL A1C 6K3 email: gmoores@stewartmckelvey.com</p>
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