



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2022-12-12

Ms. Shirley Walsh
Senior Legal Counsel - Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - Application for Non-Firm Rates
To NLH - Requests for Information**

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-008 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.

Yours truly,

Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland & 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 for
10 approval of a rate for Non-Firm Service in
11 Labrador, and other associated matters,
12 pursuant to section 70 of the **Act**.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-008

Issued: December 12, 2022

- 1 **PUB-NLH-001** Application, page 4, paragraph 16. Hydro is proposing that the monthly Basic
2 Customer Charge for non-firm customers on the Labrador Interconnected
3 System be equal to that charged for Island Interconnected System General
4 Service customers with demands of 1,000 kVa or greater, which is \$85.25 per
5 month.
- 6 a) Please identify the types of costs currently included in the Basic
7 Customer Charge of \$85.25 for the Island Interconnected System
8 General Service customers with demands of 1,000 kVa or greater?
- 9 b) Please explain what analysis Hydro has completed to determine that
10 \$85.25 per month would be a reasonable charge to recover costs for
11 non-firm customers on the Labrador Interconnected System.
- 12 c) What type of costs has Hydro included as “administrative costs”?
- 13
- 14 **PUB-NLH-002** Schedule 1, Evidence, page 6. Hydro states that the preliminary
15 interconnection estimates for the option of connecting non-firm customers at
16 a location outside the Town of Happy Valley-Goose Bay and closer to the
17 Muskrat Falls Terminal Station will be completed in early fall of 2022. Please
18 provide the estimates. If the estimates are not available, please provide an
19 update on the timing of estimate completion.
- 20
- 21 **PUB-NLH-003** Schedule 1, Evidence, page 10. Hydro states that, while its review of other
22 jurisdictions in Canada did not find that other utilities applied an
23 administrative charge to their non-firm rate, Hydro believes it to be
24 appropriate to apply a monthly customer charge to non-firm customers.
25 Please confirm if any of the utilities included in the jurisdiction review had
26 customers that were only supplied non-firm power.
- 27
- 28 **PUB-NLH-004** Schedule 1, Evidence, page 10, Footnote 23. Non-firm revenues generated
29 based on the use of hydraulic generation are credited to the Supply Cost
30 Variance Deferral Account. Please provide Hydro’s position on the potential
31 treatment of non-firm revenues from Labrador customers that may offset the
32 reduction in net exports due to those increased non-firm sales.
- 33
- 34 **PUB-NLH-005** Schedule 1, Evidence, page 13. Hydro is proposing to modify the non-firm
35 component of the Island Industrial customer Rate Sheet to reflect that the
36 incremental cost of providing non-firm energy will no longer only include
37 thermal generation but will also reflect the market value of exports most of
38 the time. Please explain the process/protocols that Hydro will implement to
39 inform the Island Industrial customers that the non-firm rate will change from
40 a market value of exports rate to a fuel based rate and from a fuel based rate
41 to a market value exports rate.
- 42
- 43 **PUB-NLH-006** Schedule 1, Evidence, Attachment 1, page 11 of 24. In Section 5.2, Table 6
44 Hydro noted that an appropriate rate design approach for non-firm service on
45 the Labrador Interconnected System would include a demand charge on

1 transmission costs. However, Hydro is proposing to not apply a demand charge
2 for the use of non-firm service. Please explain.

3
4 **PUB-NLH-007** Schedule 2, page 2 of 3. The third item under "Terms and Conditions" states
5 that applicants interested in proceeding with non-firm service will fund a
6 system impact study for use in finalizing the amount of non-firm capacity that
7 can be made available.

8 (a) How long does Hydro anticipate will be needed to complete this study?
9 (b) Will the timing of this study impact the effective date of the non-firm rate?

10
11 **PUB-NLH-008** Schedule 3, page 4 of 5. Component "C" of the non-firm energy charge based
12 on thermal generation source is "the average system losses on the Island
13 Interconnected grid for the last five years ending in 2016 (3.34%)." Please
14 explain why Hydro is proposing the last five years ending in 2016 as opposed
15 to the last five years ending in a more recent timeframe.

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

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES



Cheryl Blundon
Board Secretary