

1 **Q. Reference: November 30, 2022, Hydro Presentation**

2 **Non-Firm Energy in NL**

3 With respect to Slide 13:

4 **a)** If not previously answered, what has been the price differential between firm and non-
5 firm energy prices in Labrador from January 1, 2018.

6 **b)** How is Hydro's current approach to pricing of non-firm energy using incremental cost
7 "relatively consistent" with Canadian utility practice?

8 i. Which of the other Canadian utilities uses the same approach as Hydro?

9 ii. Which do not and how do they vary?

10 **c)** If not answered in response to question 26, is Hydro's proposal to price non-firm energy
11 based on the export value in the New York and New England markets consistent with
12 the rate charged by any other Canadian utility or a rate approved by any other Canadian
13 Public Utility regulator? If so, identify the utilities, the regulators and how the rates are
14 established.

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17 **A. a)** Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to BKL-NLH-027,
18 Attachment 1.

19 **b)** Manitoba Hydro,¹ BC Hydro² and NB Power³ solely use the incremental cost in determining
20 the non-firm energy price. Incremental cost explicitly considers market value in the rates for
21 Manitoba Hydro and BC Hydro and is updated regularly. Market value may be a
22 consideration in the NB Power incremental cost but it is not explicitly defined.

¹ The Manitoba Hydro-Electric Board ("Manitoba Hydro").

² The British Columbia Hydro and Power Authority ("BC Hydro").

³ New Brunswick Power Corporation ("NB Power").

1 For the Additional Electricity Option at Hydro-Québec, the avoided cost is the sole basis for
2 pricing in the non-winter months. This is consistent with the use of incremental cost
3 proposed by Hydro. However, in winter months Hydro-Québec determines the energy price
4 based on the average of the heritage energy price and the avoided cost. This differs from
5 Hydro’s proposal.

6 For additional detail please refer to Schedule 1, Attachment 2.⁴

7 **c)** Please refer to Hydro’s response to BKL-NLH-026 of this proceeding.

⁴ “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, September 15, 2022, sch. 1, att. 2, pp. 4–7.

Table 1: Labrador Industrial Customers Firm and Imbalance Energy Rate Comparison
 Cents/kWh

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Average
Firm Energy Rate	2.306	2.306	2.306	2.306	2.306	2.306	2.306	2.306	2.306	2.324	2.315	2.306	2.308
Imbalance Energy Rate	3.597	4.912	2.846	2.811	2.718	3.095	4.282	4.269	3.474	3.411	3.362	5.748	3.710
Price Differential	1.291	2.606	0.540	0.505	0.412	0.789	1.976	1.963	1.168	1.087	1.047	3.442	1.402
Firm Energy Rate	2.394	2.377	2.386	2.379	2.369	2.425	2.369	2.369	2.369	2.369	2.393	2.488	2.391
Imbalance Energy Rate	6.382	6.672	3.565	3.395	3.024	3.505	4.034	4.069	3.254	2.721	2.568	3.246	3.870
Price Differential	3.988	4.295	1.179	1.016	0.655	1.080	1.665	1.700	0.885	0.352	0.175	0.758	1.479
Firm Energy Rate	2.531	2.561	2.546	2.517	2.440	2.419	2.419	2.419	2.419	2.485	2.541	2.511	2.484
Imbalance Energy Rate	3.855	2.640	2.306	1.855	1.880	2.374	3.557	3.485	2.912	2.061	2.454	2.260	2.637
Price Differential	1.324	0.079	(0.240)	(0.662)	(0.560)	(0.045)	1.138	1.066	0.493	(0.424)	(0.087)	(0.251)	0.153
Firm Energy Rate	2.501	2.502	2.468	2.455	2.444	2.439	2.444	2.450	2.439	2.471	2.459	2.485	2.463
Imbalance Energy Rate	2.438	2.762	5.016	1.943	1.331	2.018	3.146	4.761	5.240	4.781	5.098	5.386	3.660
Price Differential	(0.063)	0.260	2.548	(0.512)	(1.113)	(0.421)	0.702	2.311	2.801	2.310	2.639	2.901	1.197
Firm Energy Rate	2.763	2.707	2.497	2.545	2.542	2.497	2.530	2.613	2.497	2.627	2.669	2.763	2.604
Imbalance Energy Rate	6.797	6.058	4.518	3.684	6.333	7.725	11.832	8.400	9.135	6.876	5.423	6.740	6.960
Price Differential	4.034	3.351	2.021	1.139	3.791	5.228	9.302	5.787	6.638	4.249	2.754	3.977	4.356