Hydro Place. 500 Columbus Drive.
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 f. 709.737.1800
www.nlh.nl.ca

August 2, 2021

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

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

Dear Ms. Blundon:

Re: Newfoundland Power's 2022–2023 General Rate Application – Requests for Information

Please find enclosed Newfoundland and Labrador Hydro's Requests for Information NLH-NP-001 to NLH-NP-082 in relation to Newfoundland Power's 2022–2023 General Rate Application.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/kd.sk

Encl.

ecc: **Board of Commissioners of Public Utilities**
Jacqui H. Glynn
Maureen P. Greene, Q.C.
PUB Official Email

Newfoundland Power
Dominic J. Foley
Liam P. O'Brien, Curtis Dawe
Regulatory Email

Consumer Advocate
Dennis M. Browne, Q.C., Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis
Bernard M. Coffey, Q.C.

IN THE MATTER OF the Public Utilities Act, R.S.N.L. 1990, Chapter P-47, as amended, (the "Act"); and

IN THE MATTER OF a general rate application (the "Application") by Newfoundland Power Inc. ("Newfoundland Power") to establish customer electricity rates for 2022 and 2023.

Newfoundland and Labrador Hydro

Requests for Information

NLH-NP-001 to NLH-NP-082

August 2, 2021

NLH-NP-001 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 1-4, Lines 12-14.**

Please provide the supporting information related to gross operating cost per customer for each year of the decade referenced and include the data used to calculate the 16% reduction.

NLH-NP-002 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 1-5, Lines 8-10.**

a) Please provide the details of the increase in labour costs per year from 2019 to 2023.

b) Please provide the calculation of the labour inflation rate and provide the assumptions explaining the derivation.

c) Newfoundland Power's application states: "Operating labour costs are forecast to increase by approximately 2.1% annually from 2019 to 2023. This is approximately 1% less than the Company's annual labour inflation over the same period." Please provide the calculations that reflect this statement.

NLH-NP-003 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021.**

Please provide the Annual Grant Thornton reports for the past 10 years.

NLH-NP-004 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 2-39, Footnote 84.**

Please provide the detailed support for the insurance increases forecast for each year and explain if any policy changes can be made to mitigate the projected increases.

NLH-NP-005 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 1.**

For the Corporate and Employee Services function costs, please provide the cost breakdown in the same format and time frames used in Exhibit 2, and include the test year(s) that were used for rate setting purposes.

NLH-NP-006 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 1.**

For the Information Systems function costs, please provide the cost breakdown in the same format and for all years used in Exhibit 2 and include the test year(s) that were used for rates setting purposes.

NLH-NP-007 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 2.**

Provide the detailed breakdown and explanation of all costs included in the categories of Plants, Subs, System Oper & Bldgs (line 9); Miscellaneous; Uncollectable Bills; Trustee and Directors' Fees; Other Company Fees, Equipment Rental/Maintenance; Vegetation Management; and Computing Equipment & Software for all years in the table and include the test years that were used for rate setting purposes.

NLH-NP-008 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 2.**

Provide the detailed breakdown and explanation of costs included in Regular and Standby, Temporary, and Overtime for all years in the table and include the test years that were used for rate setting purposes.

NLH-NP-009 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 2.**

Please restate Exhibit 2 adjusting 2020 and 2021 costs by item to remove the estimated impacts of the COVID-19 pandemic.

NLH-NP-010 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibits 1 and 2.**

Please detail instances in the 2022 and 2023 operating costs where GDP or CPI is used to escalate costs relative to a previous year.

NLH-NP-011 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibits 1, 2 and 3.**

What was the most recent test year(s) used to establish customer rates? Please update Exhibits 1, 2, and 3 to include the test year(s) information from Newfoundland Power's last General Rate Application.

NLH-NP-012 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 2-36, Footnote 80.**

Please explain why the software costs referenced did not qualify for capitalization.

NLH-NP-013 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 2-36, Footnote 81.**

Please provide the detail supporting the increase of $1.3M for corporate and employee services.

NLH-NP-014 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 1, Line 2.**

Please provide the reason for the increase in transmission operations and maintenance costs in 2020 and why this increase in costs is required for subsequent years.

NLH-NP-015 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibits 1 and 2.**

Please provide:

a) The number of full-time equivalents ("FTE") by year for each functional area in Exhibit 1; and

b) The change in FTEs for each year over the previous year and quantify the impacts of the FTE change as a proportion of the total change in costs for each of lines 1, 2, and 3 in Exhibit 2.

NLH-NP-016 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume I, Page 3-12, Table 3-9.**

a) Please provide a breakdown of the finance charges from 2019 to 2023E, along with applicable interest rates.

b) Please provide details of forecasted debt issuances (timing, amount, coupon rate, maturity date).

c) Please provide a schedule with details of all debt currently outstanding.

NLH-NP-017 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 2.3, Page 4 of 13, Footnote 14.**

Please indicate if any of the utilities that responded "N/A" had responded that they have no general overhead capitalization. If so, please confirm that the 10% calculated excludes utilities that do not have general overhead capitalization.

NLH-NP-018 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 2.3, Page 4 of 13.**

Newfoundland Power's evidence states:

> The average capitalization rate of surveyed utilities was 10%.
>
> Newfoundland Power's capitalization rate is comparable to that of other utilities. Excluding pension costs, the Company's overall capitalization rate was 9% in 2019.

Please confirm that only one utility surveyed indicated that they used the 'Burden Rate' method. Please also confirm that the utility that used the 'Burden Rate' had a capitalization rate of 26% which was greater than twice the capitalization rate of any of the other utilities surveyed.

NLH-NP-019 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 3.4, Page 9 of 13.**

Newfoundland Power's evidence states:

> Non-Construction Activities
>
> Finance, human resources and information systems requirements would be lower if there was no capital program.
>
> Given the nature of these departments, it is challenging to estimate a specific reduction in general expenses that would occur if there was no capital program. The Board has suggested the use of a nominal rate of 10% as a reasonable proxy in these circumstances. Adjusting the GEC ratio for these non-construction activities to a nominal rate of 10% is therefore appropriate.

Please indicate the number of full-time equivalents that would be reduced in these departments if there was no capital program. If this is not possible, please indicate if the approach of assigning '10% as a reasonable proxy' is more consistent with the full cost method or the incremental method.

NLH-NP-020 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 3.5, Page 10 of 13, Footnote 34.**

Newfoundland Power's evidence states:

> See Attachment 1, Appendix E, Page E-3, Question 7. Expressed as a percentage, overhead construction costs averaged 10% among the survey respondents in relation to the utilities' total capital expenditures in 2019. This compares to 9% for Newfoundland Power (adjusted to remove the impact of pension costs). Capitalized overhead for Newfoundland Power includes GEC, Allowance for Funds Used During Construction ("AFUDC"), and vehicle and inventory overheads.

a) Please provide the breakout as a percentage and dollars of the capitalization rate between components (e.g., GEC, vehicle allowance, inventory overheads). Please provide 2017–2023 Test Years (excluding pension costs in all periods for comparative purposes).

b) Please provide the methodology used to determine inventory overheads and how it is applied to overheads.

c) Please provide the rationale why Newfoundland Power uses an inventory overhead allocation rather than following the incremental method in GEC.

d) Please provide the quantity of full-time equivalents that would be reduced if Newfoundland Power followed the incremental approach for inventory overheads and if there would be any revenue requirement impact of switching from the inventory overhead method to the incremental method.

NLH-NP-021 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 3.5, Page 10 of 13, Table 1.**

Please indicate if the inclusion of pension costs is treated consistently in the Actual and Pro Forma columns. If not, please update Table 1 to ensure that pension costs are treated consistently in both the 'Existing Ratio and Actual' column and the 'Revised Ratios and Pro Forma' column.

NLH-NP-022 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 4.2, Page 13 of 13, Table 2.**

Please update Table 2 to include the initial year and years 2-30.

NLH-NP-023 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021 Volume 2, Report 6, Section 4.2, Page 13 of 13.**

Newfoundland Power's evidence states:

> By removing pension costs from GEC, the associated annual add back for depreciation expense will also not exist. This will decrease revenue requirements in each subsequent year. Ultimately, there would be no impact on revenue requirement over the total lives of the related capital assets.

Please confirm if Newfoundland Power has included this one time increase in its 2023 revenue requirement.

NLH-NP-024 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Attachment 1, Page 16 of 28.**

Please indicate the methodologies used to determine the percentage of internal allocated labour to retirements and when the percentages were developed.

NLH-NP-025 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Attachment 1, Page 16 of 28.**

Please provide a corresponding summary of any installations that were completed using an allocation rather than directly billing a project for actual time on the project.

NLH-NP-026 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Attachment 1, Page 16 of 28.**

Please confirm if the 'percentage of internal allocated labour' on retirements is included in Newfoundland Power's capitalization percentage? If not, please re-state Newfoundland Power's capitalization percentage with all labour (capital installations or retirements that have been capitalized) that has been capitalized using an 'allocation' method that is currently excluded from Newfoundland Power's capitalization percentage.

NLH-NP-027 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 3.4, Page 8 of 13.**

Please provide Newfoundland Power's methodology for allocating tools, equipment and safety clothing to GEC. In the response, please indicate if any tools, equipment and safety clothing are directly billed to capital jobs.

NLH-NP-028 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6.**

Please update the following table provided in response to Information Request PUB-NP-084 of the Rate Mitigation Options and Impacts, using the most recent actuals available:

Table D-1:
Estimated Labour Capitalization by Position

Position	Capital	Operating	Total
MANAGEMENT & ENGINEERING			
Manager	68%	32%	**100%**
T&D Engineering	92%	8%	**100%**
Engineering/Asset Management	71%	29%	**100%**
Protection and Controls	93%	7%	**100%**
Power System Support	3%	97%	**100%**
Safety and Environment	0%	100%	**100%**
Transportation	80%	20%	**100%**
Technology	26%	74%	**100%**
Operations Support	47%	53%	**100%**
Human Resources	0%	100%	**100%**
CRAFT & SUPERVISION			
Line Supervisor	91%	9%	**100%**
Line Operations	66%	34%	**100%**
Planner	36%	64%	**100%**
Stores	90%	10%	**100%**
Maintenance Supervisor	10%	90%	**100%**
Electrical Maintenance	42%	58%	**100%**
Plant Operations	45%	55%	**100%**
Area Customer Representative	23%	77%	**100%**
Customer Service Supervisor	12%	88%	**100%**
Customer Service	9%	91%	**100%**
Meter Technician	90%	10%	**100%**
Power System Operator	39%	61%	**100%**

NLH-NP-029 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Report 6, Section 3.4.**

Please provide the calculation of the 10% allocation on Finance, Human Resources and Information Systems. In the calculation, please indicate if the percentage is applied to the total department costs or if there are any exclusions.

NLH-NP-030 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 5-8, Lines 3-5.**

Newfoundland Power states:

> The revenue-to-cost ratio for each Class of Service is between 90% and 110%. Newfoundland Power is therefore proposing to apply the same rate increase to customers served under each Class of Service.

When was the last time Newfoundland Power completed a load research study? Please provide a copy of the result of the study.

NLH-NP-031 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021.**

Please provide the estimated number of customers for the Domestic and General Service 0-100 kW that have installed electric heat pumps over the period 2015 to 2021 Forecast.

NLH-NP-032 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 5-7, Table 5-5.**

Has Newfoundland Power completed a review on the impact of increased heat pump usage on their class load profiles used in allocating system peak demand costs among customer classes? If no, why does Newfoundland Power still believe the revenue to cost ratios presented are accurate?

NLH-NP-033 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 5.3.**

Given the increase in heat pump usage by the customers of Newfoundland Power, does Newfoundland Power plan to conduct an updated load research study? If yes, what is the timeframe for the planned completion of this study?

NLH-NP-034 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Page 5-8, Lines 8-9 and Footnote 19.**

The evidence states:

> Newfoundland Power's current customer rates largely reflect the recommendations of the Retail Rate Review.

Footnote 19 indicates the retail rate review was completed in 2010.

When is Newfoundland Power planning to complete a rate design review which will include consideration of the benefits of electrification in partnership with peak demand management?

NLH-NP-035 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 5.4.**

Please confirm Newfoundland Power is not proposing any changes to its curtailable service option. What is the forecast number of customers and amount of curtailable load reflected in Newfoundland Power's 2022 Test Year peak demand?

NLH-NP-036 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibits 1, 2, 3, and 4.**

Please provide updated Exhibits 1, 2, 3, and 4 adding a column for the Test Year(s) approved in the last GRA for Newfoundland Power. Please provide the response in both PDF format and electronic format.

NLH-NP-037 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 3, Line 2.**

Please explain the large transfers to the RSA forecast for 2022 and 2023 shown on line 2.

NLH-NP-038 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 3.**

Please confirm that if a revised wholesale rate was in effect in 2022 reflecting the cost of the Muskrat Falls Project that the forecast RSA transfer would be unlikely to occur. If this cannot be confirmed, please explain why.

NLH-NP-039 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 3.**

Please provide the proposed rate increase if the forecast RSA transfers are excluded.

NLH-NP-040 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 3.**

Please provide a comparison of the proposed base rate increase and the proposed final rate increase separating the effects of RSA transfers.

NLH-NP-041 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 3.**

Please explain the decrease in other revenue from 2019 to 2023.

NLH-NP-042 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 1, Page 1-8, Lines 15–16.**

Newfoundland Power states "In this Application, Newfoundland Power is proposing an average increase in current customer rates of approximately 0.8% effective March 1, 2022."

Excluding the cost of supply from Hydro, please provide a comparison of the 2022 and 2023 forecast revenue requirements to the test year revenue requirement reflected in current rates. In the analysis, provide the change in dollars and percentages.

NLH-NP-043 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 2, Pages 2-39 to 2-41.**

a) Please provide the Newfoundland Power actual capital expenditures for general properties, distribution, transmission and generation assets over the period 2010 to 2026F.

b) Please explain how the capital expenditure pattern provided in part (a) of this request for information is "conducive to rate stability for customers".

NLH-NP-044 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 2, Pages 2-32 to 2-37.**

Further to Tables 2-5, 2-6, 2-7, 2-8, 2-9, 2-10, and 2-11, please provide a comparison of 2022 and 2023 costs to the test year(s) costs reflected in current customer rates. Please provide the response using the categories provided in the tables but also showing the changes in dollars and percentages.

NLH-NP-045 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 3, Page 3-4, Table 3-2.**

Please explain the forecast decline in pole attachment revenue from 2021 to 2022 and 2023.

NLH-NP-046 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 3, Page 3-3, Table 3-1.**

Please provide the residential energy price forecast reflected in Table 3-1.

NLH-NP-047 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide native peak demand of Newfoundland Power's customers for the period 2012 to 2020 and forecast for 2021, 2022, and 2023.

NLH-NP-048 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 3, Page 3-4, Footnote 5.**

Please provide further details on the revenue gain from property disposition. Was the property disposition gain reflected in the forecast used in rate setting in the last test year? If not, why not?

NLH-NP-049 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 3, Page 3-5, Table 3-3.**

a) Please confirm that rates were established in Newfoundland Power's last General Rate Application based on a 2020 Test Year.

b) If confirmed, please explain why the cost comparison is relative to 2019 actual costs.

c) Please revise Table 3-3 to compare the 2022E and 2023E to the 2020 Test Year forecast.

NLH-NP-050 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Exhibit 7.**

What test year is being used in the development of the revenue requirement for the development of proposed customer rates? Please explain.

NLH-NP-051 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 1, Page 1-4, Lines 16–17.**

a) Please explain how the reduction in customer costs were achieved.

b) Please complete the following table:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Internal Full-Time Equivalents										

NLH-NP-052 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 1, Page 1-5, Lines 8–9.**

Please provide Newfoundland Power's average annual salary for each of the years from 2019 to 2023 broken down by non-union versus union.

NLH-NP-053 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021 Volume 2, Section 1, Schedule A, Page 1 of 2, Footnote 15.**

a) Does the "retirement" line represent 100% of those employees eligible to retire in that calendar year?

b) How is attrition by employees who have reached retirement eligibility in previous years accounted for?

c) How does Newfoundland Power decide which vacant positions will be filled?

NLH-NP-054 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 1, Schedule B, Page 1 of 2, Footnote 18.**

a) What assumptions, including attrition rates, are used to determine partial year adjustments?

b) What is Newfoundland Power's average time to fill a position from date of vacancy? Please provide breakdown separately for internal candidates and external candidates.

NLH-NP-055 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021.**

a) Please provide copies of any press releases and public communications materials relating to Newfoundland Power's 2022/2023 General Rate Application-related rate increases and the most recent Rate Stabilization Account rate change.

b) How does Newfoundland Power plan to educate and inform customers and stakeholders on the projected rate impacts, and specifically what contributes to the rate impacts?

NLH-NP-056 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

a) Please provide the forecast Newfoundland Power provided to Newfoundland and Labrador Hydro ("Hydro") on May 18, 2021.

b) Please note and explain all differences between the forecast provided to Hydro on May 18, 2021 and the forecast filed in support of Newfoundland Power's General Rate Application.

NLH-NP-057 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide assumptions on heat pumps used in the development of Newfoundland Power's last five annual forecasts and resultant impact on Newfoundland Power's customer demand in MW.

NLH-NP-058 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide assumptions on Conservation and Demand Management used in the development of Newfoundland Power's last five annual forecasts and resultant impact on Newfoundland Power's customer demand in MW.

NLH-NP-059 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide assumptions on electric vehicles used in the development of Newfoundland Power's load forecast.

NLH-NP-060 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Have any impacts or potential impacts of the COVID-19 pandemic been included in the development of Newfoundland Power's load forecast?

NLH-NP-061 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3, Page 1.**

On page 1 of its "Customer, Energy and Demand Forecast" report, Newfoundland Power stated the following with respect to its General Service category of customers: "In 2020 approximately 84% of energy sales in this category were to customers in the service producing sector of the economy, while only 16% were in the goods producing sector."

Please provide the same metric data for 2018 and 2019.

NLH-NP-062 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide any reports and the data and data analysis prepared on Newfoundland Power's heat pump study.

NLH-NP-063 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 5, Page 5-4, Footnote 6.**

Newfoundland Power states "Customers installing heat pumps experience annual energy savings of approximately 15%." Please provide the details of how the percent of energy savings were derived.

NLH-NP-064 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide Newfoundland Power's assumptions related to non-electric customers and electric customers used in the development of Newfoundland Power's assumptions regarding heat pumps.

NLH-NP-065 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Has Newfoundland Power considered an alternate means for forecasting changes in peak demand usage (e.g., the quantitative relationship between heat pump performance and weather) as a result of increased usage of heat pumps? If yes, please explain.

NLH-NP-066 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3**

a) Please provide Newfoundland Power's actual annual hydraulic generation production in GWh for the period from 2015 to 2023F.

b) How did Newfoundland Power determine its normal hydraulic production of 438.4 GWh for 2022 and 425.6 for 2023?

c) Please provide Newfoundland Power's most recent hydrology study.

NLH-NP-067 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3, Appendix C, Note 5.**

In Appendix C, Newfoundland Power notes that its Purchased Energy and Demand forecast assumes a generation credit of 118.054 MW. Please provide the breakdown of the credit by hydraulic and thermal generation.

NLH-NP-068 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide Newfoundland Power's actual total hydraulic generation in MW in aggregate at time of Island Interconnected System peak from 2015 through 2021.

NLH-NP-069 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3**

Please provide Newfoundland Power's actual hydraulic generation by plant in MW at time of Island Interconnected System peak from 2015 through 2021.

NLH-NP-070 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3, Page 3, Footnote 8.**

Newfoundland Power stated that it surveyed 12 Canadian Utilities with respect to their peak demand forecasting methodologies. Of the six noted utilities using methodologies similar to Newfoundland Power's, are any of these utilities accountable for supply planning? How do these utilities manage the variance between their peak demand forecasted and actual requirements?

NLH-NP-071 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Does Newfoundland Power believe its demand forecast is appropriate for capacity supply planning? Please explain.

NLH-NP-072 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide the percent change in Newfoundland Power's energy sales on an annual basis for the last ten years, as well as 2022F and 2023F.

NLH-NP-073 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide a table of the annual forecast and actual energy production for each of the last five years.

NLH-NP-074 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3**

Please provide a table of the last five years of energy and demand actuals.

NLH-NP-075 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3**

Please provide Newfoundland Power's historical actual and normalized load factor from 2010 to 2020 and forecasts for 2021 to 2023.

NLH-NP-076 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section3**

Please provide a revised forecast assuming use of a ten-year historic load factor.

NLH-NP-077 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3**

Please provide a revised forecast assuming use of a fifteen-year historic load factor.

NLH-NP-078 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

a) Does Newfoundland Power apply any subjective judgment to its demand forecast before it is finalized?

b) Does Newfoundland Power make any judgmental adjustments to its demand forecast for the purpose of purchased power costs?

NLH-NP-079 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3.**

Please provide any reports and the data and data analysis prepared on the future of Newfoundland Power's existing gas turbine facilities.

NLH-NP-080 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 2, Page 2-38, Lines 12–15.**

The evidence states:

> Newfoundland Power is forecasting an annual increase in labour costs of approximately 2.1% from 2019 to 2023. The Company's weighted labour rate inflation is forecast to be approximately 3.1% per year over this period. This implies an operating efficiency of approximately 1.0% per year.

How is the implied operating efficiency achieved? Is it the result of reduced full-time equivalents or other changes in operating labour?

NLH-NP-081 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 1, Section 2, Page 2-30, Figure 2-12.**

a) Provide Newfoundland Power's labour inflation rate, the GDP Deflator for Canada, and CPI for Newfoundland and Labrador for 2011 to 2020 used in the computation of the inflation-adjusted Operating Cost per Customer.

b) Provide the operating costs by breakdown and number of customers used in the calculation of Operating Cost per Customer.

NLH-NP-082 **Reference: "2022/2023 General Rate Application," Newfoundland Power, May 27, 2021, Volume 2, Section 3, p. 3**

The evidence states: "Use of a 5-year average system load factor, as opposed to a 15-year average system load factor, increases Newfoundland Power's peak demand forecast by approximately 9 MW, or 0.7%, over the forecast period."

Provide the data used to compute the 5- and 15-year average system load factors.

DATED at St. John's, in the Province of Newfoundland and Labrador this 2nd day of August, 2021.

Shirley A. Walsh
Senior Legal Counsel, Regulatory
Newfoundland and Labrador Hydro
500 Columbus Drive P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685-4973
Email: shirleywalsh@nlh.nl.ca