

NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES 120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: tjohnson@odeaearle.ca

2015-06-15

Mr. Thomas Johnson, Q.C. O'Dea Earle 323 Duckworth Street P.O. Box 5955 St. John's, NL A1C 5X4

Dear Mr. Johnson;

Re: Newfoundland and Labrador Hydro – Amended General Rate Application – Requests for Information

Enclosed are Information Requests PUB-CA-3 to PUB-CA-4 regarding the above-noted application.

If you have any questions please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, e-mail, jgylnn@pub.nl.ca or telephone (709) 726-6781.

Yours truly,

Koans Sara Kean

Assistant Board Secretary

/cpj Encl.

ecc. <u>Newfoundland & Labrador Hydro</u>

Mr. Ocoff Young; E-mail: gyoung@nlh.nl.ca NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca Mr. Fred Cass, E-mail: fcass@airdberlis.com

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- 1 IN THE MATTER OF the *Electrical Power*
- 2 Control Act, 1994, SNL 1994, Chapter E-5.1 (the
- 3 "EPCA") and the Public Utilities Act, RSNL 1990,
- 4 Chapter P-47 (the "*Act*"), as amended, and regulations
- 5 thereunder; and
- 6
- 7 **IN THE MATTER OF** a general rate application
- 8 filed by Newfoundland and Labrador Hydro on
- 9 July 30, 2013; and
- 10
- 11 IN THE MATTER OF an amended general rate
- 12 application filed by Newfoundland and Labrador
- 13 Hydro on November 10, 2014.

PUBLIC UTILITIES BOARD REQUESTS FOR INFORMATION

PUB-CA-3 to PUB-CA-4

Issued: June 15, 2015

1 PUB-CA-3 In your pre-filed evidence, Section 7. Island Industrial Customer Rates, you 2 state "The fact is, there are alternative rate designs available that better meet 3 rate design objectives than the rate design proposed by Hydro in the Amended 4 2013 GRA." (page 17, lines 22-23) Also you state "The absence of a marginal 5 price signal in the Island Industrial Customer rates represents a lost 6 opportunity that has been missed since the 2008 study referenced earlier was 7 completed." (page 18, lines 18-20) However, you conclude with a 8 recommendation that the Board accepts Hydro's proposed Island Industrial 9 Customer rate design. Do you agree that energy rates to Industrial Customers 10 based on a two block structure with the second block reflecting marginal cost would convey a more appropriate price signal? Please provide a detailed 11 12 explanation of your response. 13

14PUB-CA-4In your pre-filed evidence, Section 8. Newfoundland Power (NP) Rate, you15recognized Hydro's much better job of reflecting marginal cost in setting the16capacity charge for NP in the Amended 2013 GRA. Would you agree that a17better wholesale rate design for Newfoundland Power would have an energy18tail block rate set at marginal cost? Please provide a detailed explanation of19your response.

DATED at St. John's, Newfoundland this 15th day of June 2015.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per

Sara Kean Assistant Board Secretary