

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,
6 and regulations thereunder; and
7

8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro for an
10 order to delay the filing of its next general
11 rate application pursuant to sections 70, 71,
12 and 76 of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-010

Issued: April 23, 2020

1 Hydro proposes on page 4, paragraph 19(i) of the Application that the Board approve:

2

3 *“Hydro’s filing of its next GRA no later than nine months from the date upon which both the*
 4 *revised financial structure for the Muskrat Falls PPA and Government’s rate mitigation plan*
 5 *have been finalized and publicly communicated.”*

6

7 **PUB-NLH-001** Given that the timing of both of these events is out of Hydro’s control and
 8 is subject to a great deal of uncertainty in the circumstances, should a date
 9 be established for the GRA to be filed should both of these events not
 10 occur by a certain time?

11

12 Hydro states on page 4, paragraph 18 of the Application:

13

14 *“The use of multiple test years would permit the use of: (i) a 2021 test year to determine any*
 15 *under recovery of costs through customer rates in effect during 2021, and (ii) a separate test*
 16 *year as the basis for establishing future customer rates, including the incorporation of the*
 17 *rate mitigation plan to be released by the Government.”*

18

19 and proposes on page 4, paragraph 19(ii) of the Application that the Board approve:

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21 *“That the GRA filing should be based on a 2021 Test Year and additional test years, if*
 22 *required.”*

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24 **PUB-NLH-002** Does Hydro propose that 2021 would be based on actual costs and how
 25 would the complications associated with a backward looking test year as
 26 demonstrated in Hydro’s last two GRAs be avoided?

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28 Hydro states on page 4, paragraph 16 of the Application:

29

30 *“It remains probable that Hydro will incur costs in 2021 as a result of the commissioning*
 31 *of the Muskrat Falls Project. Therefore, although Hydro proposes to delay its GRA filing,*
 32 *Hydro is proposing to continue to require 2021 as a test year for use in determining the*
 33 *2021 costs to be ultimately recovered from customers.”*

34

35 **PUB-NLH-003** What costs are expected in 2021 as a result of the commissioning of the
 36 Muskrat Falls Project?

37

38 **PUB-NLH-004** When would these costs be recovered from customers if, as Hydro
 39 suggests, the GRA is not concluded and rates are not implemented until
 40 late 2022 or early 2023?

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42 **PUB-NLH-005** How will these costs be treated by Hydro until the implementation of rates
 43 upon the completion of the GRA?

44

45 **PUB-NLH-006** Is it appropriate to delay recovery of these costs until the conclusion of the
 46 GRA and the implementation of rates?

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48 **PUB-NLH-007** In light of the uncertainty surrounding the timing of the commissioning of
 49 the Muskrat Falls Project what is the probability that there will be material

1 costs as a result of the commissioning of the Muskrat Falls Project in
2 2021?

3
4 **PUB-NLH-008** Can any 2021 costs as a result of the commissioning of the Muskrat Falls
5 Project be addressed more appropriately by way of timely application to
6 address these costs for example through a deferral account and/or a rate
7 rider?
8

9 **PUB-NLH-009** If in 2021 there are no material costs incurred as a result of the
10 commissioning of the Muskrat Falls Project, is a 2021 Test Year
11 appropriate for a GRA which is likely to be filed in late 2021 or 2022?
12

13 **PUB-NLH-010** Under what circumstances would Hydro consider it appropriate to not treat
14 2021 as a test year? If 2021 was not a test year, what would be the
15 alternatives, and impacts of the alternatives, for 2021 rates?

DATED at St. John’s, Newfoundland this 23st day of April, 2020.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary