

# The Consumer Advocate

PO Box 23135  
Terrace on the Square  
St. John's, NL Canada  
A1B 4J9

Tel: 709-724-3800  
Fax: 709-754-3800

June 23, 2021

*Via Courier*

Board of Commissions of Public Utilities  
120 Torbay Road, P.O. Box 2140  
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of**  
**Corporate Services / Board Secretary**

Dear Ms. Blundon:

**RE: Newfoundland Power – 2022/2023 General Rate Application**  
**- Intervenor Submission**

Please find attached the Consumer Advocated Intervenor Submission in relation to Newfoundland Powers 2022-2023 General Rate Application.

Yours truly,



**Stephen Fitzgerald**  
**Counsel for the Consumer Advocate**

Encl.  
/jm

**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** general rate application (the “Application”) by Newfoundland Power Inc. (“Newfoundland Power”) to establish customer electricity rates for 2022 and 2023.

### **NOTICE OF INTERVENTION**

The Consumer Advocate appointed as set out in Section 117 of the *Public Utilities Act* will intervene in the above-referenced application:

- (a) To represent consumers in all matters pertaining to the application;
- (b) To advocate the Board apply the policy established under the *Electrical Power Control Act, 1994*, S.N.L. 1994 (the “Act”) and in particular to ensure that the Application will result in power being delivered to consumers at the lowest possible cost consistent with reliable service;
- (c) To attend conferences and hearings, as the case may be, and to file Request for Information and written submissions;
- (d) To retain experts to address issues arising from the Application;
- (e) And to all matters relating to the foregoing.

In particular, without limiting the foregoing, the Consumer Advocate will address the following:

1. **Automatic Adjustment Formula**

The Consumer Advocate will advocate the reinstatement of the Automatic Adjustment Formula as appropriate and as based on evidence.

2. **Appropriate Capital Structure**

Newfoundland Power's 45% common equity ratio is too high. This common equity ratio consistently allowed by the Public Utilities Board is the highest common equity ratio allowed by a regulator of a public utility in Canada, at unnecessary and significant cost to consumers of the Province for many years. Similar regulated companies to Newfoundland Power have operated with a 37% common equity ratio without any adverse financial consequences. Given the circumstances in which consumers find themselves, with pending rate shocks forecast resulting from the Muskrat Falls Project, it is timely for the Public Utilities Board to review this issue in its entirety and finally take appropriate action.

3. **Applicant's Rate of Return**

The Consumer Advocate will challenge any efforts on the part of the Applicant to increase its rate of return as unreasonable and opportunistic.

4. **Rate of Increases**

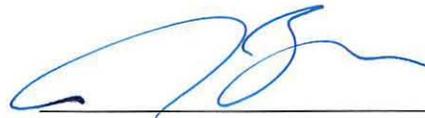
The Consumer Advocate rejects any increase in Newfoundland Power's current customer rates.

5. **Conclusion**

It is noteworthy that the Applicant is basing its increase on economic uncertainties associated with Muskrat Falls and the resulting economic outlook for the province. However, it is noteworthy that when the Muskrat Falls Project was publicly debated the Applicant remained silent. This failure on the part of the Applicant to express its concerns at the relevant time cannot be used as a reason to found this rate increase application.

**DATED** at St. John's, Newfoundland and Labrador, this 23<sup>rd</sup> day of June, 2021.

Per:



**Stephen Fitzgerald, Counsel  
Consumer Advocate**

Terrace on the Square, Level 2, P.O. Box 23135  
St. John's, Newfoundland & Labrador A1B 4J9

Telephone: (709) 724-3800

Telecopier: (709) 754-3800