



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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E-mail: shirleywalsh@nlh.nl.ca

2024-02-14

Ms. Shirley Walsh
Senior Legal Counsel, Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland Power Inc. - 2025-2026 General Rate Application –
To NLH - Requests for Information**

Enclosed are Requests for Information PUB-NLH-001 to PUB-NLH-010 regarding the above-noted application.

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

Sincerely,

Jo-Anne Galarneau
Executive Director and Board Secretary

JAG/cj

ecc Newfoundland Power Inc.

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1 **IN THE MATTER OF** the **Public**
2 **Utilities Act**, (the “**Act**”); and
3
4
5 **IN THE MATTER OF** a general rate
6 application by Newfoundland Power Inc.
7 to establish customer electricity rates for
8 2025 and 2026.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NLH-001 to PUB-NLH-010

Issued: February 14, 2024

1 **PUB-NLH-001** When does Hydro anticipate it will file for approval of a revised wholesale rate
2 structure, either on an interim or final basis?
3

4 **Cost Relationship to Changes in Newfoundland Power's Return on Equity**
5

6 **PUB-NLH-002** Please confirm and explain if a change in the return on equity set for
7 Newfoundland Power will impact the costs incurred by Hydro under the
8 Muskrat Falls agreements, specifically the purchased power expense of Hydro,
9 including a reference to any relevant contractual terms.
10

11 **PUB-NLH-003** Please estimate the impacts, if any, on Hydro's annual costs if Newfoundland
12 Power's return on equity is increased or decreased by 0.5%. In the response,
13 please address both changes in Hydro's internal costs and changes in costs
14 incurred under the Muskrat Falls Project agreements.
15

16 **PUB-NLH-004** a) Please confirm if the equity component of the Muskrat Falls assets is
17 projected to increase over the life of the Muskrat Falls contracts.
18 b) Please explain any impact an increase in the equity component of the
19 Muskrat Falls assets would have on Hydro's costs in relation to changes
20 in Newfoundland Power's return on equity.
21

22 **PUB-NLH-005** Please confirm and explain if a change in the capital structure (i.e. % of
23 common equity) set for Newfoundland Power will impact the costs incurred by
24 Hydro under the Muskrat Falls agreements, including a reference to any
25 relevant contractual terms.
26

27 **PUB-NLH-006** Please estimate the impacts, if any, on Hydro expenses if Newfoundland
28 Power's common equity portion of its capital structure was increased or
29 decreased by 1% while maintaining the same currently approved return on
30 equity.
31

32 **Customer, Energy and Demand Forecast: Peak Load Forecast**
33

34 **PUB-NLH-007** Does Hydro use a historical average load factor approach in forecasting system
35 peak demand? If not, please describe Hydro's peak load forecasting approach.
36

37 **PUB-NLH-008** Does Hydro consider the same price elasticity assumptions in forecasting
38 energy sales as it applies to forecasting system peak demand? Please explain.
39

40 **PUB-NLH-009** Provide a comparison, for the winter periods 2013/14 to 2027/28, of Hydro's
41 forecast of the Newfoundland Power native peak to the forecast provided to
42 Hydro by Newfoundland Power, including the actual and weather normalized
43 native peak for Newfoundland Power for the winter periods from 2013/2014
44 to 2022/2023.

- 1 **PUB-NLH-010** Provide a comparison, for the period 2014 to 2027, of Hydro's forecast of
- 2 energy sales to Newfoundland Power to Newfoundland Power's forecast of
- 3 purchases from Hydro, including Newfoundland Power's actual and weather
- 4 normalized purchases from Hydro for the years from 2014 to 2023.

DATED at St. John's, Newfoundland this 14th day of February, 2024.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Jo-Anne Galarneau
Board Secretary