

1 **Q. (Reference CA-NP-157) The RFI includes a number of questions related to**
2 **Newfoundland Power’s statement in (CA-NP-181 pertaining to the 2024 Capital**
3 **Budget Application) “if Memorial University were to be directly assigned all costs**
4 **associated with its service from MUN Substation, consideration would have to be given**
5 **to whether it remained appropriate for Memorial University to continue to pay a rate**
6 **that recovers a portion of costs associated with substations, transformers, and**
7 **distribution equipment that are used to serve other customers in the General Service**
8 **Rate #2.4 customer rate class.”**

- 9 a) **What customers are supplied by the RFD and LCV Substations?**
10 b) **Is Memorial University, or any other customer, assigned costs in the cost of**
11 **service study for the LCV and RFD Substations (see CA-NP-030 Attachment A**
12 **relating to the 2024 CBA)? If so, how much of this cost is included in the cost of**
13 **service study and how much is assigned to each customer class?**
14 c) **Does the cost of service study allocate any costs for distribution facilities to the**
15 **Rate 2.4 customer class? If so, how much?**
16 d) **Are distribution facilities used to supply Memorial University and the Rate 2.4**
17 **customers served at 66kV from the RFD and LCV Substations?**
18 e) **Please confirm that Newfoundland Power did not consider if the rate charged**
19 **Memorial University remains appropriate prior to filing this GRA.**

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21 A. a) The customer served by the RFD Substation is the operator of an antimony mine
22 located in central Newfoundland. The customer served by the LCV Substation is the
23 operator of a mine located in western Newfoundland.
24
25 b) General Service Rate #2.4 is determined based on the aggregate revenue and
26 aggregate costs to serve all of the customers in this rate class in the course of a year.
27 Costs that can be directly attributable to a General Service Rate #2.4 customer are
28 specifically assigned to the General Service Rate #2.4 customer rate class. This
29 includes approximately \$0.1 million attributed to the customer served by the LCV
30 Substation. There are no specifically assigned costs attributed to the customer served
31 by the RFD Substation.
32
33 c) Approximately \$3.8 million of Newfoundland Power’s annual distribution costs are
34 allocated to the General Service Rate #2.4 customer rate class.¹
35
36 d) Distribution facilities are not used to supply the customers served by the RFD and
37 LCV Substations since those customers are served at 66 kV transmission voltage.
38 Memorial University is served by distribution facilities owned by Newfoundland
39 Power at the Memorial (“MUN”) Substation. See the response to Request for
40 Information CA-NP-267 for additional information.
41
42 e) It is not confirmed. Newfoundland Power considered the appropriateness of the rate
43 charged to Memorial University throughout 2023 as reflected in regulatory
44 proceedings associated with the MUN Substation.

¹ See Newfoundland Power’s 2025/2026 General Rate Application, Volume 2 Supporting Materials, Report 4. Cost of Service Study, Schedule 1.2.

1 In the Company’s *2023 Supplemental Capital Expenditure Application for the*
2 *Memorial Substation Power Transformer Replacement* (the “MUN-T2 Application”)
3 the Company observed that the load profile of Memorial University is expected to
4 change substantially in the coming years. Newfoundland Power also stated that a
5 review of the rates charged to the University would be appropriate when those
6 changes materialize to ensure the University continues to pay rates that are consistent
7 with the cost of providing it with electrical service.² Newfoundland Power reiterated
8 this point of view as part of the Company’s *2024 Capital Budget Application*.³

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10 In its order approving Newfoundland Power’s *2024 Capital Budget Application*, the
11 Board also recognized that it will be appropriate to review the rates charged to
12 Memorial University when more information is known about the anticipated changes
13 in its load profile and when the ongoing rate design review by Newfoundland Power
14 is completed.⁴

² See Newfoundland Power’s June 12, 2023 letter *Re: 2023 Supplemental Capital Expenditure Application – Memorial Power Transformer Replacement – Consumer Advocate’s Request for Re-hearing of Application*, page 5.

³ See the responses to Request for Information CA-NP-036, CA-NP-148, and CA-NP-153 filed in relation to Newfoundland Power’s *2024 Capital Budget Application*.

⁴ See Order No. P.U. 2 (2024) Reasons for Decision, page 13, lines 13-15.