

1 **Q. Reference: Pre-Filed Evidence of C. Douglas Bowman, April 17, 2024.**

2
3 **Please provide the results of any jurisdictional reviews completed by Mr. Bowman**
4 **to support the recommendations in his Pre-Filed Evidence.**

5
6 **A.** Mr. Bowman has been conducting jurisdictional reviews since he began consulting 30
7 years ago, and even before then while at Ontario Hydro. The jurisdictional reviews
8 conducted in the past have contributed to the recommendations in his Pre-filed Evidence,
9 including, for example:¹

- 10
11 • With respect to connection assets, Mr. Bowman conducted a survey on behalf of
12 Ontario Hydro Networks Company on transmission rates in competitive markets
13 including Ontario, Alberta, California, New England, New York, PJM, England and
14 Wales, Australia and New Zealand. He also conducted a review of transmission rates
15 across Europe for the regulator in the Republic of Georgia (about 10 years ago), and
16 again last year on behalf of the Arab countries and the World Bank. The European
17 sample included about 36 countries whose transmission tariffs are documented in
18 ENTSO-E Overview of Transmission Tariffs in Europe: Synthesis 2020. His reviews
19 included specific aspects of transmission rates in other jurisdictions (United States)
20 such as promotion of transmission investment.
- 21
22 • With respect to rate design, Mr. Bowman was involved in the production of the
23 Survey of Innovative Rates – 1994 Update.² The survey provided “*an update to the*
24 *Electric Power Research Institute’s (EPRI) Survey of Innovative Rates, 1991. Current*
25 *innovative rate data from the same 135 major utilities located throughout the United*
26 *States were updated and analyzed. The innovative rates in use by the surveyed utilities*
27 *in 1992 totaled 1,095.”* He also conducted jurisdictional scans when developing
28 interruptible, real-time pricing and surplus power rates while working at Ontario
29 Hydro, and at various times has conducted jurisdictional reviews on various aspects
30 of regulatory hearings in NL. He also reviewed the report by CA Energy Consulting
31 entitled Rate Design Review: Phase 1 which includes a jurisdictional review of
32 electricity rate designs in Canada.
- 33
34 • With respect to rate design objectives, particularly the efficiency objective, a
35 jurisdictional scan was not necessary as most jurisdictions believe that rates should
36 reflect marginal costs to satisfy the efficiency objective. As stated by Mr. Brockman,
37 Newfoundland Power’s rate design and cost of service expert for many years,³

¹ This is not an exhaustive list.

² <https://www.osti.gov/biblio/10107877>

³ See Pre-filed Evidence and Exhibits of Larry Brockman submitted October 26, 2006 relating to Newfoundland and Labrador Hydro 2006 General Rate Application (page 5).

1 *“Marginal costs and their trends should be reflected in rates to achieve efficiency.”*
2 He goes on to say *“In general, these are the same principles that are used to guide*
3 *rate making in most jurisdictions in North America and are reasonable.”* Further, as
4 stated by CA Energy Consulting *“(page vii)⁴ “We recommend that NP leave its*
5 *current rate designs in place, adjusting the customer, energy, and demand charges to*
6 *ensure full cost recovery under Hydro’s new price levels and to better reflect Hydro’s*
7 *marginal costs.”*
8

- 9 • With respect to distribution planning, Mr. Bowman has participated in a number of
10 planning studies over the years and drafted a distribution planning guideline for the
11 regulator in the Republic of Georgia. The planning guideline formed part of a broader
12 Distribution Grid Code that covered planning, metering, connections and operations.
13
- 14 • With respect to cost of service, a jurisdictional review is not necessary to know that
15 the cost of service study is necessary to allocate prudently incurred costs (the revenue
16 requirement) to the various customer classes based on the costs that the customer
17 class imposes on the system. As stated by Mr. Brockman, Newfoundland Power’s
18 cost of service and rate design expert for many years, *“Rates will be designed to*
19 *recover the class revenue requirement derived in the embedded cost of service study*
20 *and will give consideration to the fairness of embedded cost recovery from individual*
21 *customers within classes.”* Customers should not be required to pay for assets that are
22 not used in their supply.
23
- 24 • With respect to AMI (smart meter) technology, Mr. Bowman conducted a Google
25 search of smart meter programs for electric utilities. There is a wealth of information
26 on smart meter technology, but he looked specifically at New Brunswick, Nova Scotia
27 and British Columbia in Canada, and Puget Sound Energy, Narragansett Electric
28 Company, National Grid (Niagara Mohawk) and Shenandoah Valley Electric
29 Cooperative in the United States.
30
- 31 • With respect to reliability and the value customers place on reliable service, Mr.
32 Bowman’s Pre-filed Evidence references the McKinsey survey documented in the
33 Platt’s Electric Utility Week article. Mr. Bowman reviewed such publications
34 regularly over the course of his career. As stated by McKinsey *“utilities should take*
35 *the time to find out what people genuinely value”*. As stated in Mr. Bowman’s Pre-
36 filed Evidence, NL Hydro is making such an attempt.
37
- 38 • With respect to regulatory process, Mr. Bowman has provided training to new
39 regulatory agency startups in Egypt, Mongolia and the Republic of Georgia. This
40 included a scan of regulation in various jurisdictions, particularly Europe.

⁴ See CA Energy Consulting April 1, 2024 report entitled Rate Design Review: Phase 1.