

1 **Q. C. Douglas Bowman Report, page 16, lines 26-31. Mr. Bowman states that updated**
2 **load research will “enable the: 1) fair allocation of costs to customer classes in the**
3 **cost of service study, 2) development of rate designs consistent with cost reduction**
4 **and government electrification and net-zero emissions efforts”. In Mr. Bowman’s**
5 **opinion would the load research data expected to be completed in 2025 also be useful**
6 **and helpful in enabling appropriate revised Newfoundland Power customer rates**
7 **following a revised wholesale rate structure? If no, why not?**
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9 **A.** The question incorrectly states that load research data is expected to be completed in 2025.
10 Results from the first winter period are expected in 2025, but as stated in Mr. Bowman’s
11 Pre-filed Evidence (page 16) *“In CA-NP-063d Newfoundland Power indicates that there*
12 *will be no study results available until 2025. However, results in 2025 will relate to a*
13 *single winter season.”* In Newfoundland Power’s Load Research Study Plan dated June
14 15, 2023 (page 30) it is stated *“NP staff would like to have the data collection begin no*
15 *later than December 1, 2023, for data collection for the 2023-2024 Winter. The first*
16 *winter analysis will be completed during the 2nd quarter 2024. A second winter analysis*
17 *will be completed during the 2nd quarter 2025. At the completion of the second winter*
18 *analysis of load research data, NP will decide on whether to continue the load research*
19 *initiative.”* However, data collection did not start in the winter of 2023/24 as planned.
20 Data collection is now “expected” to begin in the winter of 2024/25. Therefore, although
21 results are expected in 2025, an additional winter will be necessary, and possibly two
22 additional winters before the load research study is completed. It took three winter seasons
23 of data collection to complete the previous load research study. As stated in Mr.
24 Bowman’s Pre-filed Evidence (page 15) *“Data in the cost of service study are based on*
25 *the 2006 Load Research Program. The Board approved capital expenditures of \$425,000*
26 *for this study in P.U. 19(2003). The study was carried out over the 3 winter periods*
27 *beginning December 2003 and ending March 2006.”*
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29 The question asks if in Mr. Bowman’s opinion would the load research data be useful and
30 helpful in enabling appropriate revised Newfoundland Power customer rates following a
31 revised wholesale rate structure. First, it is not necessary to wait to reflect marginal energy
32 costs in tail-block energy charges in retail rates until the wholesale rate is changed (see
33 response to PUB-CA-017). Retail rates should be redesigned to reflect marginal costs
34 regardless of what happens with the wholesale rate. Second, neither does Mr. Bowman
35 believe it necessary to wait another 3 years for Newfoundland Power to complete the load
36 research study before designing retail rates to better reflect marginal energy costs. A
37 three-year time frame for the load research study may be optimistic given that
38 Newfoundland Power has yet to collect a single data point more than three winters after
39 agreeing to undertake the load research study as part of the Settlement Agreement on the
40 2022-2023 GRA. When load research data finally do become available, modifications can
41 be made to rates as necessary. Waiting for something that might materialize in the future
42 is a poor excuse for doing nothing. The future is always changing.

1 As stated by Newfoundland Power in PUB-NP-004a, “*there are no customer benefits in*
2 *maintaining the current wholesale rate beyond January 1, 2025.*” Neither are there
3 customer benefits in waiting another three years before modifying retail rates to better
4 reflect marginal costs. Although out-of-date, current load research data are the best
5 available and likely to remain so for the foreseeable future.