

April 7, 2017

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro – Application by Newfoundland and Labrador Hydro pursuant to sections 70 and 71 of the Act for approval of a Net Metering Program – Hydro's Reply

Following is Hydro's reply with respect to the above noted Application.

1.0 Application Background

On December 2, 2016, Hydro filed an Application for the approval of a Net Metering Program.

2.0 Board Schedule and Process

In July 2015, the Government of Newfoundland and Labrador (the Government) released a Net Metering Policy Framework (the Framework). The Framework was developed by the Government in consultation with various stakeholders, including Newfoundland and Labrador Hydro (Hydro), Newfoundland Power Inc. (Newfoundland Power), staff of the Board of Commissioners of Public Utilities (the Board), the Consumer Advocate, the Sierra Club, the Newfoundland and Labrador Environmental Industry Association, and the Canadian Home Builders Association – Newfoundland and Labrador.

On December 2, 2016, Hydro filed an application for approval of a Net Metering Program for customers that is broadly consistent with the Framework and current public utility practice in North America. On December 19, 2016, Newfoundland Power also filed an application for a Net Metering Service option, which was also broadly consistent with the Framework and public utility practice.

On January 10, 2017, the Board issued a Notice of Application (the Notice) on its website with respect to Hydro's and Newfoundland Power's net metering applications, advising persons or organizations that wished to comment on these applications that they could submit written letters of comment to the Board by February 1, 2017. This Notice was also posted in newspapers throughout the province and on the Board's website.

On January 25, 2017, the Board sent correspondence to Hydro, Newfoundland Power, Vale Newfoundland and Labrador Limited, Praxair Canada Inc., the Consumer Advocate, Teck Resources Limited, and the Industrial Customers, requesting that parties indicate by February 3, 2017, if they intended to participate in the Board's review of the applications. The Board advised that the date for the filing of Requests for Information (RFIs) was February 3, 2017, and indicated that further processes would be determined following receipt of public comments.

Only the Consumer Advocate indicated that it would be participating in the applications.

On February 8, 2017, the Board set a schedule for responses by the utilities to RFIs, and for written submissions by parties and reply submissions by the utilities.

Hydro received 14 RFIs (29 questions) from the Consumer Advocate and 16 RFIs from the Board, while Newfoundland Power received 16 RFIs (21 questions) from the Consumer Advocate and 15 RFIs from the Board. All RFIs were responded to by the deadline set by the Board.

On February 23, 2017, Hydro filed correspondence with the Board indicating that it supported Newfoundland Power's application, as filed.

On February 24, 2017, the Consumer Advocate filed correspondence with the Board requesting a joint public hearing on the net metering applications filed by Hydro and Newfoundland Power.

On March 2, 2017, both Hydro and Newfoundland Power responded to the Consumer Advocate's request. Both utilities submitted that a public hearing was not necessary as the process established by the Board was sufficient to ensure that the public could participate in the process and to ensure that adequate information was provided to the Board to permit the Board to make an informed decision on the matter.

On March 15, 2017, the Board advised the Consumer Advocate that his request for a hearing was denied. On March 17, 2017, the Consumer Advocate requested that the Board reconsider its decision. On March 24, 2017, the Board denied the Consumer Advocate's request.

3.0 Comments of the Intervenors and the Public

On February 7, 2017, the Board advised Hydro and Newfoundland Power that it had received public comments from four organizations from across the province, including Municipalities Newfoundland and Labrador, the Newfoundland and Labrador Environmental Industry Association, a building contractor qualified to construct net zero housing, and an energy sector trades organization. All organizations indicated that they supported the net metering applications. The Board did not receive any letters or comments opposing Hydro's Application.

The Consumer Advocate did not file comments on Hydro's application.

4.0 Hydro's Reply

Hydro submits that the Application proposes a reasonable net metering program for customers that is broadly consistent with the Framework and the current sound public utility practice in North America. Hydro respectfully requests that the Board approve Hydro's Application, as submitted.

Should you have any questions, please contact the undersigned.

Yours truly,

Newfoundland and Labrador Hydro



Tracey L. Pennell
Senior Counsel, Regulatory

TLP/lb

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Sheryl Nisenbaum – Praxair Canada Inc.
ecc: Larry Bartlett – Teck Resources Limited

Dennis Browne, Q.C. – Consumer Advocate
Thomas J. O'Reilly, Q.C. – Cox & Palmer