



June 15, 2015

Ms. G. Cheryl Blundon
Board of Commissioners of Public Utilities
120 Torbay Road, P.O. Box 12040
St. John's, NL A1A 5B2

Ladies & Gentlemen:

Re: Newfoundland and Labrador Hydro's 2013 Amended General Rate Application
Re: Requests for Information

Please find enclosed the original and twelve (12) copies of the Consumer Advocate's Requests for Information as follows:

CA-NP-1 to CA-NP-11
CA-PUB-1 to CA-PUB-6
CA-V-3 to CA-V-4

A copy of the letter, together with enclosures, has been forwarded directly to the parties listed below.

If you have any questions regarding the filing, please contact the undersigned at your convenience.

Yours very truly,

O'DEA, EARLE

THOMAS JOHNSON, Q.C.
TJ/cel

cc: Newfoundland & Labrador Hydro
P.O. Box 12400
500 Columbus Drive
St. John's, NL A1B 4K7
Attention: Geoffrey P. Young, Senior Legal Counsel

IN THE MATTER OF
the *Public Utilities Act*, RSNL 1990,
Chapter P-47 (the "*Act*");

AND

IN THE MATTER OF
a General Rate Application (the "*Amended Application*")
by Newfoundland and Labrador Hydro for
approvals of, under Sections 70 and 75 of the Act, changes
in the rates to be charged for the supply of power
and energy to Newfoundland Power, Rural Customers
and Industrial Customers; and under Section 71 of the
Act, changes in the Rules and Regulations applicable
to the supply of electricity to Rural Customers.

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NP-1 to CA-NP-11
CA-PUB-1 to CA-PUB-6
CA-V-3 to CA-V-4**

Issued: June 15, 2015

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

CA-NP-1 (Amended 2013 GRA) Does Mr. Brockman recommend that the costs associated with the CBPP frequency converter be specifically assigned to CBPP as proposed by Hydro?

CA-NP-2 (Amended 2013 GRA) In Mr. Brockman’s opinion, how much of transmission network costs including lines and substations should be assigned to energy?

CA-NP-3 (Amended 2013 GRA, Volume II, Exhibit 4) Does Mr. Brockman recommend that the CBPP pilot supply agreement be permanently instated as proposed by Hydro? Why or why not?

CA-NP-4 (Amended 2013 GRA) In Mr. Brockman’s opinion, is the supply agreement between Hydro and CBPP fair and optimal, promoting efficient consumption decisions at the mill and efficient production from CBPP generation? Is this type of supply agreement typical in the industry for industrial customers with forecast sales of generation (including capacity assistance) exceeding purchased power costs by over \$7.6 million per year (see CA-NLH-284 and CA-NLH-285)?

CA-NP-5 (Brockman June 4, 2015 Pre-filed Evidence, page 16, lines 4 to 6) Mr. Brockman states “*the Labrador Interconnected Customers have enjoyed rates nearly half of those paid by Newfoundland Power, because their power supply was isolated from the Island system, and it was largely hydraulic*”. Does Mr. Brockman agree that the rates charged Labrador Interconnected Customers are based on the cost of supply determined by cost of service principles approved for use in this jurisdiction, and if not, what modifications to the cost of service study does Mr. Brockman

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

recommend for the Board’s consideration?

CA-NP-6

(Brockman June 4, 2015 Pre-filed Evidence, page 16, lines 4 to 11)
Mr. Brockman states that following completion of the Labrador interconnection, “*it is conceivable that all interconnected customers would pay uniform rates*”. Does Mr. Brockman have any prior knowledge of the results and recommendations that will come out of Hydro’s cost of service study proposed for 2016 (see CA-NLH-340) or of any Government policy initiative or directive that will result in Labrador Interconnected customers and Island Interconnected customers paying uniform rates following completion of the Labrador interconnection?

CA-NP-7

(Brockman June 4, 2015 Pre-filed Evidence, page 16, lines 4 to 11)
Mr. Brockman states that following completion of the Labrador interconnection, “*it is conceivable that all interconnected customers would pay uniform rates*”. Is Mr. Brockman forecasting that the cost to supply Labrador Interconnected Customers will double following completion of the Labrador interconnection, and if so, what is driving the increase in the cost of supply to Labrador Interconnected Customers?

CA-NP-8

(Brockman June 4, 2015 Pre-filed Evidence, page 16, lines 4 to 11)
Mr. Brockman states that following completion of the Labrador interconnection, “*it is conceivable that all interconnected customers would pay uniform rates*”. Assuming no change in the cost of supply on each of the Labrador Interconnected System and the Island Interconnected System, would Mr. Brockman recommend that the Board implement uniform rates that would double the rates of Labrador Interconnected Customers strictly on the basis that the two systems would now be interconnected?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

CA-NP-9 Hydro states in NP-NLH-401 “*Newfoundland Power’s approach to allocation of the rural deficit among its classes is comparable to the revenue requirement approach proposed by Hydro*”. Does Newfoundland Power agree with this statement?

CA-NP-10 (Brockman June 4, 2015 Pre-filed Evidence, page 16, lines 4 to 11) Mr. Brockman states that following completion of the Labrador interconnection, “*it is conceivable that all interconnected customers would pay uniform rates*”. If uniform rates were implemented following completion of the Labrador interconnection, how does Mr. Brockman conceive that the rural deficit would be allocated to customers – using the methodology proposed by Hydro in the Amended 2013 GRA, using the Newfoundland Power methodology, using the methodology currently approved by the Board, or some other methodology?

CA-NP-11 (Brockman June 4, 2015 Pre-filed Evidence, page 18, lines 8 to 9) Mr. Brockman states “*it may be appropriate at this time for Hydro to consider rate design solutions to moderate the rate impact on the Labrador Interconnected customers*”. What rate design solutions does Mr. Brockman propose for the Board’s consideration that would mitigate the impact of a 27.8% rate increase (see Amended 2013 GRA, Volume I, page 4.7, lines 18 to 21)?

1 CA-PUB-1 (Amended 2013 GRA) Does Dr. Wilson recommend that the
2 Board accept the allocation methodology for the rural rate subsidy
3 proposed by Hydro (i.e., on basis of revenue requirement)?
4

5 CA-NP-2 (Brockman June 4, 2015 Pre-filed Evidence, page 18, lines 8 to 9)
6 Mr. Brockman states “*it may be appropriate at this time for Hydro*
7 *to consider rate design solutions to moderate the rate impact on*
8 *the Labrador Interconnected customers*”. Can Dr. Wilson propose
9 any rate design solutions for the Board’s consideration that would
10 mitigate the impact of a 27.8% rate increase (see Amended 2013
11 GRA, Volume I, page 4.7, lines 18 to 21)?
12

13 CA-PUB-3 (Amended 2013 GRA) Does Dr. Wilson believe that a separate
14 hearing dedicated strictly to the rural rate subsidy would provide
15 benefits to electricity consumers? Please provide support for your
16 response.
17

18 CA-PUB-4 (Amended 2013 GRA) Does Dr. Wilson recommend that the costs
19 associated with the CBPP frequency converter be specifically
20 assigned to CBPP as proposed by Hydro? Please provide support
21 for your response.
22

23 CA-PUB-5 (Amended 2013 GRA, Volume II, Exhibit 4) Does Dr. Wilson
24 recommend that the CBPP pilot supply agreement be permanently
25 instated as proposed by Hydro? Why or why not?
26

27 CA-PUB-6 (Amended 2013 GRA) In Dr. Wilson’s opinion, is the supply
28 agreement between Hydro and CBPP fair and optimal, promoting
29 efficient consumption decisions at the mill and efficient production
30 from CBPP generation? Is this type of supply agreement typical in
31 the industry for industrial customers with forecast sales of

1 generation (including capacity assistance) exceeding purchased
2 power costs by over \$7.6 million per year (see CA-NLH-284 and
3 CA-NLH-285)?
4

1 CA-V-3 (Expert Report prepared by Mr. Mel Dean, June 4, 2015, page 8,
2 lines 15 to 29, and page 9, lines 1 to 17) Is Mr. Dean proposing
3 that Hydro undertake these steps to determine the specifically-
4 assigned costs for each of its customers?
5

6 CA-V-4 (Amended 2013 GRA) Does Mr. Dean recommend that the costs
7 associated with the CBPP frequency converter be specifically
8 assigned to CBPP as proposed by Hydro? Please provide support
9 for your response.
10
11
12
13
14
15

16 Dated at St. John's in the Province of Newfoundland and Labrador, this 15th day of June,
17 2015.
18



22 Thomas Johnson
23 Consumer Advocate
24 323 Duckworth Street
25 St. John's, NL A1C 5X4
26 Telephone: (709) 726-3524
27 Facsimile: (709) 726-9600
28 Email: tjohnson@odeaearle.ca
29



Newfoundland Power
P.O. Box 8910
55 Kenmount Road
St. John's, NL A1B 3P6
Attention: Gerard Hayes, Senior Legal Counsel

Vale Newfoundland and Labrador Limited
c/o Cox & Palmer
Suite 1000, Scotia Centre
235 Water Street
St. John's, NL A1C 1B6
Attention: Thomas J. O'Reilly, Q.C.

Towns of Labrador City, Wabush,
Happy Valley-Goose Bay and North West River
c/o Brown Fitzgerald Morgan & Avis
P.O. Box 23135
Terrace on the Square
St. John's, NL 1B 4J9
Attention: Dennis Browne, Q.C.

House of Commons
Confederation Building, Room 682
Ottawa, ON K1A 0A6
Attention: Yvonne Jones, MP Labrador/Christian von Donat

Innu Nation
c/o Olthuis, Kleer, Townshend LLP
250 University Avenue, 8th Floor
Toronto, ON M5H 3E5
Attention: Nancy Kleer

Industrial Customer Group
c/o Stewart McKelvey
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
Attention: Paul Coxworthy

Nunatsiavut Government
c/o Benson Buffett
PO Box 1538
9th Floor, Atlantic Place
215 Water Street
St. John's, NL A1C 5N8
Attention: Genevieve M. Dawson