



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

E-mail: pcoxworthy@stewartmckelvey.com

2014-05-08

Mr. Paul Coxworthy
Stewart McKelvey Stirling Scales
Suite 1100, Cabot Place
100 New Gower Street, P.O. Box 5038
St. John's, NL A1C 5V3

Dear Sir:

Re: Newfoundland and Labrador Hydro – 2013 General Rate Application

Enclosed are Information Requests PUB-IC-1 to PUB-IC-5 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, via jgylmn@pub.nl.ca or (709) 726-6781.

Yours truly,

Cheryl Blundon
Board Secretary

/bds
Encl.

ccc. **Newfoundland & Labrador Hydro**
Mr. Geoffrey Young, E-mail: gyoung@nlh.nl.ca
Mr. Fred Cass, E-mail: fcass@airdberlis.com
Newfoundland Power Inc.
Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com
Mr. Liam O'Brien, E-mail: lobrien@curtisdawe.nf.ca
Consumer Advocate
Mr. Thomas Johnson, E-mail: tjohnson@odeacarle@nf.ca
Ms. Colleen Lacey, E-mail: clacey@odeacarle.ca
Mr. Doug Bowman, E-mail: cdbowman@netzzero.net
Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources
Mr. Dean Porter, E-mail: dporter@pa-law.ca
Yale Newfoundland and Labrador Limited
Mr. Tom O'Reilly, Q.C., E-mail: toreilly@coxandpalmer.com
Mr. Denis Fleming, E-mail: dfleming@coxandpalmer.com
Innu Nation
Ms. Nancy Kleer, E-mail: nkleer@oktlaw.com
Ms. Stephanie Kearns, E-mail: skearns@oktlaw.com
Mr. Senwung Luk, E-mail: sluk@oktlaw.com
Towns of Labrador
Mr. Edward Hearn, Q.C., E-mail: miller&hearn@crstv.net
Yvonne Jones, MP Labrador
Yvonne Jones, E-mail: Yvonne.Jones.A1@parl.gc.ca
Yvonne.Jones.C1@parl.gc.ca

1 **IN THE MATTER OF**
2 the *Electrical Power Control Act, 1994*,
3 SNL 1994, Chapter E-5.1 (the "*EPCA*")
4 and the *Public Utilities Act, RSNL 1990*,
5 Chapter P-47 (the "*Act*"), as amended; and
6
7 **IN THE MATTER OF** a General Rate
8 Application (the "*Application*") by
9 Newfoundland and Labrador Hydro to
10 establish customer electricity rates for 2014.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

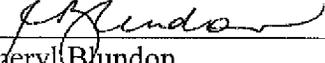
PUB-IC-1 to PUB-IC-5

Issued: May 8, 2014

- 1 **PUB-IC-1** Please provide, in electronic format, all calculations and workpapers used to
 2 prepare Table 5-2: Comparison of NP Load Factors: 2005-2013, shown on page
 3 23 of the pre-filed report prepared by InterGroup Consultants Ltd.
 4
- 5 **PUB-IC-2** Please provide the calculations and workpapers that support the statement on page
 6 30, lines 16 to 17 of the report by InterGroup Consultants Ltd: "...the NP costs
 7 from Hydro for the year would be reduced by \$48/kW under the previous rate
 8 design, and \$109.56/kW under the proposed rate design."
 9
- 10 **PUB-IC-3** In the InterGroup Consultants Ltd. Report on page 37, section 6.1 Industrial Rate
 11 Design, it is said that due to the major underlying changes occurring over the next
 12 few years, it is not an advisable time to adopt alternative rate designs based on
 13 marginal costs. Hydro in response to CA-NLH-033 estimates that in 2018, if the
 14 Labrador Interconnection comes online, its marginal energy cost may drop to
 15 between 5.4 and 7.2 cents per kwh, and the proposed marginal energy rate for the
 16 industrial customers is 4.782 cents per kwh. Do you agree that when rates are
 17 below marginal cost, there are perverse price signals that provide incentives to
 18 consume additional amounts of energy that provide benefits that are below the
 19 resource costs of producing the additional energy? Please explain your response.
 20
- 21 **PUB-IC-4** In the InterGroup Consultants Ltd. Report on page 41, section 6.3 Rate
 22 Stabilization Plan Proposals, it is said that the proposal to flow price changes for
 23 Power Purchase Agreements' ("PPA") power through the RSP does not follow
 24 RSP principles when such PPAs, as in the case of Exploits generation, have much
 25 uncertainty (intent to transfer the assets to Hydro's regulated operations). Would
 26 you agree that an alternative to account for such cost variations when there is
 27 much uncertainty is to have more regular periodic GRA filings instead of a more
 28 complex RSP? Please explain your response.
 29
- 30 **PUB-IC-5** In the InterGroup Consultants Ltd. Report on page 54, section 8.0 Conservation
 31 Demand Management (CDM) Deferred Treatment, examples of the net effect of a
 32 customer undertaking CDM are presented. Please provide all calculations and
 33 workpapers used to develop the values for customer savings, credits to the RSP,
 34 reduced revenues, etc. shown here.

DATED at St. John's, Newfoundland this 8th day of May 2014.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per 
 Cheryl Blundon
 Board Secretary