



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: gyoung@nlh.nl.ca

2013-12-05

Mr. Geoffrey Young
Senior Legal Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
St. John's, NL A1B 4K7

Dear Mr. Young:

Re: Newfoundland and Labrador Hydro – Application, received November 18, 2013, for approval of customer electricity rates for 2014 on an interim basis, or in the alternative, for a deferral and recovery mechanism – Requests for Information

Enclosed are Requests for Information IR-PUB-NLH-26 to IR-PUB-NLH-43 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 jglyn@pub.nl.ca or (709) 726-6781.

Yours truly,

A handwritten signature in cursive script that reads "Sara Kean".

Sara Kean
Assistant Board Secretary

/bds

Encl.

e.c.c.

Newfoundland & Labrador Hydro

Mr. Colin Feltham, E-mail: cfeltham@wrimnlaw.com

Newfoundland Power Inc.

Mr. Gerard Hayes, E-mail: ghayes@newfoundlandpower.com

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Mr. Thomas Johnson, E-mail: tjohnson@odeaearle@nf.ca

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Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teek Resources

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Yvonne Jones, MP Labrador

Yvonne Jones, E-mail: 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 **AND IN THE MATTER OF** an application
8 by Newfoundland and Labrador Hydro
9 for the approval of customer electricity
10 rates for 2014 on an interim basis or, in
11 the alternative, for a deferral and recovery
12 mechanism.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

IR-PUB-NLH-26 to IR-PUB-NLH-43

Issued: December 5, 2013

1 customers' rate increases. Explain any concerns that should be addressed
2 if this approval is taken.

3
4 **IR-PUB-NLH-32** Complete the attached Table 1 of actual/forecast returns for the years 2007
5 to 2015. **PUB-NLH-32-Table 1**

6
7 **IR-PUB-NLH-33** Complete the attached Table 2 for the 8 scenarios outlined below using
8 information filed in the **2013 General Rate Application (including the**
9 **impacts of the Northern Strategic Plan subsidy), the Interim Rates**
10 **Application and 2013 Billing Determinants**, and showing percentage
11 changes resulting from changes in rates from those previously approved
12 by the Board, beginning with the rates in effect December 31, 2013.
13 Clearly set out any assumptions or explanations that may be required.

14
15 *Scenario 1:*

16 i. The January 1, 2014 implementation of rates for all rate classes as
17 proposed in Hydro's 2013 General Rate Application;
18 ii. The July 1, 2014 rate change resulting from the annual Rate
19 Stabilization Plan adjustment for Newfoundland Power; and
20 iii. The September 1, 2014 rate change for Island Industrial customers
21 resulting from the phase-in of rates proposed in the July 30, 2013
22 application.

23
24 *Scenario 2:*

25 i. The January 1, 2014 implementation of interim rates for all rate
26 classes as proposed in the Interim Rates Application (this will not
27 include forecast Cost of Service rate increases for Labrador
28 Interconnected customers but will include any impacts from the
29 flow-through of Newfoundland Power rates);
30 ii. The July 1, 2014 implementation of rates for all rate classes as
31 proposed in Hydro's 2013 General Rate Application and the
32 normal operation of the Rate Stabilization Plan (note if there will
33 be impacts other than changes to Newfoundland Power rates and to
34 rates for Rural customers impacted by the flow-through of these
35 rates); and
36 iii. The September 1, 2014 rate change for Island Industrial customers
37 resulting from the phase-in of rates proposed in the July 30, 2013
38 application.

39
40 *Scenario 3:*

41 i. The January 1, 2014 implementation of interim rates for the Island
42 Industrial customer rate class as proposed in the Interim Rates
43 Application and the continuation into 2014 on an interim basis of
44 rates (including the Rate Stabilization Plan adjustment) in effect
45 for Newfoundland Power on December 31, 2013;

- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 4:

- i. The continuation of all rates in effect on December 31, 2013 until February 1, 2014 when there will be an adjustment to rates for Island Industrial customers as proposed in the Interim Rates Application, and the continuation on an interim basis of rates (in effect on December 31, 2013) for Newfoundland Power until rates are finalized on July 1, 2014;
- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 5:

- i. The January 1, 2014 implementation of interim rates for Newfoundland Power and for Rural rate classes as proposed in the Interim Rates Application and the continuation into 2014 of rates (including the Rate Stabilization Plan adjustment) in effect for Island Industrial customers on December 31, 2013;
- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 6:

i. The continuation of rates in effect on December 31, 2013 until February 1, 2014 when there will be an adjustment to rates for

1 Newfoundland Power and for Rural rate classes as proposed in the
 2 Interim Rates Application, and the continuation of rates (in effect
 3 on December 31, 2013) for Island Industrial customers until rates
 4 are finalized on July 1, 2014;

5 ii. The July 1, 2014 implementation of rates for all rate classes as
 6 proposed in Hydro's 2013 General Rate Application and the
 7 normal operation of the Rate Stabilization Plan (note if there will
 8 be impacts other than changes to Newfoundland Power rates and to
 9 rates for rural customers impacted by the flow-through of these
 10 rates); and

11 iii. The September 1, 2014 rate change for Island Industrial customers
 12 resulting from the phase-in of rates proposed in the July 30, 2013
 13 application.

14 *Scenario 7:*

15 i. The continuation of all rates in effect on December 31, 2013 until
 16 July 1, 2014 when there will be an adjustment to all rates,
 17 including the Rate Stabilization Plan adjustment, as proposed in
 18 the 2013 General Rate Application; and

19 ii. The September 1, 2014 rate change for Island Industrial customers
 20 resulting from the phase-in of rates proposed in the July 30, 2013
 21 application.

22 *Scenario 8:*

23 i. The continuation of all rates in effect on December 31, 2013 until
 24 September 1, 2014 when there will be an adjustment to all rates,
 25 including the Rate Stabilization Plan adjustment, as proposed in
 26 the 2013 General Rate Application, including the rate adjustment
 27 for Island Industrial customers resulting from the phase-in of rates
 28 proposed in the July 30, 2013 application.

29 **IR-PUB-NLH-34** Confirm that Hydro does not plan to alter any of the information provided
 30 in Table 2 completed in response to IR-PUB-NLH-33 (See the response to
 31 IR-CA-NLH-004). If Hydro has revised any of the information provided
 32 in the table, provide a revised table and explanations of any changes.

33 **IR-PUB-NLH-35** Complete the attached Table 3 for the 8 scenarios outlined below using
 34 information filed in the **2013 General Rate Application (including the**
 35 **impacts of the Northern Strategic Plan subsidy), the Interim Rates**
 36 **Application and 2014 Billing Determinants**, and showing percentage
 37 changes resulting from changes in rates from those previously approved
 38 by the Board, beginning with the rates in effect December 31, 2013.
 39 Clearly set out any assumptions or explanations that may be required.

40 **PUB-NLH-35-Table 3**

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1 Scenario 1:

2 i. The January 1, 2014 implementation of rates for all rate classes as
3 proposed in Hydro's 2013 General Rate Application;
4 ii. The July 1, 2014 rate change resulting from the annual Rate
5 Stabilization Plan adjustment for Newfoundland Power; and
6 iii. The September 1, 2014 rate change for Island Industrial customers
7 resulting from the phase-in of rates proposed in the July 30, 2013
8 application.

9 Scenario 2:

10 i. The January 1, 2014 implementation of interim rates for all rate
11 classes as proposed in the Interim Rates Application (this
12 application will not include forecast Cost of Service rate increases
13 for Labrador Interconnected customers but will include any
14 impacts from the flow-through of Newfoundland Power rates);
15 ii. The July 1, 2014 implementation of rates for all rate classes as
16 proposed in Hydro's 2013 General Rate Application and the
17 normal operation of the Rate Stabilization Plan (note if there will
18 be impacts other than changes to Newfoundland Power rates and to
19 rates for Rural customers impacted by the flow-through of these
20 rates); and
21 iii. The September 1, 2014 rate change for Island Industrial customers
22 resulting from the phase-in of rates proposed in the July 30, 2013
23 application.

24 Scenario 3:

25 i. The January 1, 2014 implementation of interim rates for the Island
26 Industrial customer rate class as proposed in the Interim Rates
27 Application and the continuation into 2014 of rates (including the
28 Rate Stabilization Plan adjustment) in effect for Newfoundland
29 Power on December 31, 2013;
30 ii. The July 1, 2014 implementation of rates for all rate classes as
31 proposed in Hydro's 2013 General Rate Application and the
32 normal operation of the Rate Stabilization Plan (note if there will
33 be impacts other than changes to Newfoundland Power rates and to
34 rates for rural customers impacted by the flow-through of these
35 rates); and
36 iii. The September 1, 2014 rate change for Island Industrial customers
37 resulting from the phase-in of rates proposed in the July 30, 2013
38 application.

39 Scenario 4:

40 i. The continuation of all rates in effect on December 31, 2013 until
41 February 1, 2014 when there will be an adjustment to rates for
42 Island Industrial customers as proposed in the Interim Rates
43 Application, and the continuation of rates (in effect on December

31, 2013) for Newfoundland Power until rates are finalized on July 1, 2014;

- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 5:

- i. The January 1, 2014 implementation of interim rates for Newfoundland Power and for Rural rate classes as proposed in the Interim Rates Application and the continuation into 2014 of rates (including the Rate Stabilization Plan adjustment) in effect for Island Industrial customers on December 31, 2013;
- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 6:

- i. The continuation of rates in effect on December 31, 2013 until February 1, 2014 when there will be an adjustment to rates for Newfoundland Power and for Rural rate classes as proposed in the Interim Rates Application, and the continuation of rates (in effect on December 31, 2013) for Island Industrial customers until rates are finalized on July 1, 2014;
- ii. The July 1, 2014 implementation of rates for all rate classes as proposed in Hydro's 2013 General Rate Application and the normal operation of the Rate Stabilization Plan (note if there will be impacts other than changes to Newfoundland Power rates and to rates for rural customers impacted by the flow-through of these rates); and
- iii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 7:

- i. The continuation of all rates in effect on December 31, 2013 until July 1, 2014 when there will be an adjustment to all rates, including the Rate Stabilization Plan adjustment, as proposed in the 2013 General Rate Application; and
- ii. The September 1, 2014 rate change for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

Scenario 8:

- i. The continuation of all rates in effect on December 31, 2013 until September 1, 2014 when there will be an adjustment to all rates, including the Rate Stabilization Plan adjustment, as proposed in the 2013 General Rate Application, including the rate adjustment for Island Industrial customers resulting from the phase-in of rates proposed in the July 30, 2013 application.

IR-PUB-NLH-36

Confirm that Hydro does not plan to alter any of the information provided in Table 3 completed in response to IR-PUB-NLH-35(See the response to IR-CA-NLH-004). If Hydro has revised any of the information provided in the table, provide a revised table and explanations of any changes.

IR-PUB-NLH-37

PUB-NI H-37-Table 4

Complete the attached Table 4 showing the impact on each Industrial Customer of each of the following scenarios, using information from the **2013 General Rate Application, the Interim Rates Application and 2013 Billing Determinants**. Show the base rate as the base rate determined from the 2013 Cost of Service, without including the impact of the Rate Stabilization Plan Surplus, but showing the Rate Stabilization Plan Surplus adjustment separately.

Scenario 1:

- i. Rates for Island Industrial customers, as proposed in the 2013 General Rate Application, including the Rate Stabilization Plan adjustment, and Rate Stabilization Plan Surplus adjustment are implemented on January 1, 2014; and
- ii. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the 2013 General Rate Application, and Rate Stabilization Plan Surplus adjustment change on September 1, 2014.

Scenario 2:

i. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the Interim Rates Application, and Rate Stabilization Plan Surplus adjustment are implemented on January 1, 2014; and

ii. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the Interim Rates Application, and Rate Stabilization Plan Surplus adjustment change on September 1, 2014.

Scenario 3:

- i. Rates for Island Industrial customers which are in effect at December 31, 2013, including the Rate Stabilization Plan adjustment, continue until February 1, 2014 when they are changed to the rates proposed in the Interim Rates Application; and
- ii. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the Interim Rates Application, and Rate Stabilization Plan Surplus adjustment change on September 1, 2014.

Scenario 4:

- i. Rates for Island Industrial customers which are in effect at December 31, 2013, including the Rate Stabilization Plan adjustment, continue until July 1, 2014 when they are changed to the rates proposed in the 2013 General Rate Application; and
- ii. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the Interim Rates Application, and Rate Stabilization Plan Surplus adjustment change on September 1, 2014.

IR-PUB-NLH-38 Have there been any changes to the information proposed in the 2013 General Rate Application and the Interim Rates Application that would cause there to be changes in the table provided in the response to IR-PUB-NLH-37? If so, provide a revised table showing the changes and explaining why these have occurred.

IR-PUB-NLH-39 Complete the attached Table 5 showing the impact on each Industrial Customer of each of the following scenarios, using information from the **2013 General Rate Application, the Interim Rates Application and 2014 Billing Determinants**. Show the base rate as the base rate determined from the 2013 Cost of Service, without including the impact of the Rate Stabilization Plan Surplus, but showing the Rate Stabilization Plan Surplus adjustment separately.

UB-NLH-39-Table 5

Scenario I:

- i. Rates for Island Industrial customers, as proposed in the 2013 General Rate Application, including the Rate Stabilization Plan adjustment, and Rate Stabilization Plan Surplus adjustment are implemented on January 1, 2014; and
- ii. Rates for Island Industrial customers, including the Rate Stabilization Plan adjustment, as proposed in the 2013 General

1 Rate Application, and Rate Stabilization Plan Surplus adjustment
 2 change on September 1, 2014.
 3

4 *Scenario 2:*

5 i. Rates for Island Industrial customers, including the Rate
 6 Stabilization Plan adjustment, as proposed in the Interim Rates
 7 Application, and Rate Stabilization Plan Surplus adjustment are
 8 implemented on January 1, 2014; and
 9 ii. Rates for Island Industrial customers, including the Rate
 10 Stabilization Plan adjustment, as proposed in the Interim Rates
 11 Application, and Rate Stabilization Plan Surplus adjustment
 12 change on September 1, 2014.

13 *Scenario 3:*

14 i. Rates for Island Industrial customers which are in effect at
 15 December 31, 2013, including the Rate Stabilization Plan
 16 adjustment, continue until February 1, 2014 when they are changed
 17 to the rates proposed in the Interim Rates Application; and
 18 ii. Rates for Island Industrial customers, including the Rate
 19 Stabilization Plan adjustment, as proposed in the Interim Rates
 20 Application, and Rate Stabilization Plan Surplus adjustment
 21 change on September 1, 2014.

22 *Scenario 4:*

23 i. Rates for Island Industrial customers which are in effect at
 24 December 31, 2013, including the Rate Stabilization Plan
 25 adjustment, continue until July 1, 2014 when they are changed to
 26 the rates proposed in the 2013 General Rate Application; and
 27 ii. Rates for Island Industrial customers, including the Rate
 28 Stabilization Plan adjustment, as proposed in the Interim Rates
 29 Application, and Rate Stabilization Plan Surplus adjustment
 30 change on September 1, 2014.

31 **IR-PUB-NLH-40** Have there been any changes to the information proposed in the 2013
 32 General Rate Application and the Interim Rates Application that would
 33 cause there to be changes in the table provided in the response to IR-PUB-
 34 NLH-39? If so, provide a revised table showing the changes and
 35 explaining why these have occurred.

36 **IR-PUB-NLH-41** Further to IR-PUB-NLH-012 does the referenced section of the Rate
 37 Stabilization Plan rules also require that the September 2013 fuel forecast
 38 be reflected in a fuel rider on January 1, 2014 for Industrial customers?

39 **IR-PUB-NLH-42** Provide a proposed rate sheet resulting from the Interim Rates Application
 40 for each Industrial customer as of September 1, 2013, January 1, 2014,
 41 September 1, 2014 and September 1, 2015, setting out the base rates and
 42

1 each part of the Rate Stabilization Plan, including the rate proposed for the
2 Rate Stabilization Plan Surplus adjustment and specifically assigned
3 charges for each Industrial Customer.

4
5 **IR-PUB-NLH-43** Provide proposed changes to the Rate Stabilization Plan rules which
6 implement a Rate Stabilization Plan Surplus adjustment, reflecting all
7 revenue flowing from the Rate Stabilization Plan Surplus, including
8 changes to the specifically assigned charges. Ensure that the rules address
9 every proposed change for the full phase-in period.

DATED at St. John's, Newfoundland this 5th day of December, 2013.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Sara Kean
Sara Kean
Assistant Board Secretary