



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

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2014-02-24

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 Information Requests IR-PUB-NLH-47 to IR-PUB-NLH-52 regarding the above-noted application.

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

Yours truly,

Cheryl Blundon
Board Secretary

/bds

Encl.

e.c.c.

Newfoundland & Labrador Hydro

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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-47 to IR-PUB-NLH-52

Issued: February 24, 2014

1 **IR-PUB-NLH-47** In the Amended Interim Rate Application Hydro proposes to implement
2 the Industrial Customer's 2013 General Rate Application proposed rates
3 and use the Industrial Customer RSP Surplus to phase in these rates. What
4 are the advantages and disadvantages to Hydro and to the Industrial
5 Customers of implementing this methodology but accumulating any
6 variances in a deferral account until there is a final Order of the Board
7 resulting from the General Rates Application, at which time the
8 appropriate transfers can be made to the Rate Stabilization Plan and to the
9 Industrial Customer RSP Surplus?

10 **IR-PUB-NLH-48** In this Amended Interim Rate Application Hydro proposes the
11 implementation of the new rates for the Industrial Customers based on its
12 2013 General Rate Application. What are the advantages and
13 disadvantages to Hydro and to the Industrial Customers of continuing with
14 the current rates and accumulating any variances in a deferral account
15 until the final order of the Board resulting from the General Rate
16 Application as is proposed for the Newfoundland Power rates?

17 **IR-PUB-NLH-49** In the Rates, Rules and Regulations, section F: RSP Surplus, 3.2, Hydro
18 writes that:
19
20
21
22 *"The monthly adjustments will be applied to the balance each
23 month. At the end of the phase-in period, any remaining balance
24 will be added to the Industrial Customer plan then in effect."*
25
26 Since this clause appears in the section referring to Teck Resources, is it
27 intended that this clause should also refer to the treatment of the RSP
28 Surplus for the other Industrial Customers? If yes, please provide a
29 correction to section 3.1 of the Rate Stabilization Plan (Interim). If not,
30 why not?

31 **IR-PUB-NLH-50** Using the most recent forecast balance for Newfoundland Power at March
32 31, 2014 in its Rate Stabilization Plan, information from the proposed
33 2013 test year as filed in the General Rate Application and the most recent
34 forecast price per barrel of No. 6 fuel, provide details and a calculation of
35 the forecast Rate Stabilization Adjustment for Newfoundland Power Inc.
36 to become effective on July 1, 2014.

37 **IR-PUB-NLH-51** On page 4, clause 12 of the Amended Interim Rates Application, Hydro
38 states that:
39
40
41
42 *"Hydro is proposing that the fuel rider monthly adjustments be
43 held separately from the current RSP for a disposition upon a
44 final Order."*
45
46 While in the amended Rate Stabilization Plan rules, section D; adjustment,
47 1.1, Hydro proposes an amendment that will cause the rules to read:

1 *"Effective January 1, 2014, the fuel rider portion of the*
2 *Newfoundland Power RSP Adjustment then in effect will be*
3 *accumulated as a separate balance within the RSP, including*
4 *monthly financing, until its disposition is ordered by the Board."*

5
6 Confirm that Hydro intends to accumulate, in a separate section of
7 Newfoundland Power's RSP, the fuel rider, approved on an interim basis
8 which will be collected from the effective date of the approval of these
9 proposed interim rates and rules to the date of disposition as ordered by
10 the Board.

11
12 **IR-PUB-NLH-52** Update the table provided in the response to IR-PUB-NLH-32(Rev.1), to
13 include the actual 2013 rate of return on equity and rate of return on rate
14 base and the scenario where the Amended Interim Rate Application is
15 approved with the proposed deferral account effective July 1, 2014 and the
16 General Rate Application proposals implemented on September 1, 2014.

DATED at St. John's, Newfoundland this 24th day of February 2014.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per *Cheryl Blundon*
Cheryl Blundon
Board Secretary