



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](mailto:gyoung@nlh.nl.ca)

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, [jgylinn@pub.nl.ca](mailto:jgylinn@pub.nl.ca) or telephone, (709) 726-6781.

Yours truly,

Cheryl Blundon  
Board Secretary

/bds

Encl.

e.c.c.

**Newfoundland & Labrador Hydro**

Mr. Fred Cass, E-mail: [fcass@airdberlis.com](mailto:fcass@airdberlis.com)

**Newfoundland Power Inc.**

Mr. Gerard Hayes, E-mail: [ghayes@newfoundlandpower.com](mailto:ghayes@newfoundlandpower.com)

Mr. Liam O'Brien, E-mail: [lobrien@curtislawe.nl.ca](mailto:lobrien@curtislawe.nl.ca)

**Consumer Advocates**

Mr. Thomas Johnson, E-mail: [tjohnson@odeaearle.nl.ca](mailto:tjohnson@odeaearle.nl.ca)

Ms. Colleen Lacey, E-mail: [clacey@odeaearle.ca](mailto:clacey@odeaearle.ca)

Mr. Doug Bowman, E-mail: [cdbowman@netzero.net](mailto:cdbowman@netzero.net)

**Corner Brook Pulp and Paper Limited, North Atlantic Refining Limited and Teck Resources**

Mr. Paul Coxworthy, E-mail: [pcoxworthy@stewartmckelvey.com](mailto:pcoxworthy@stewartmckelvey.com)

Mr. Dean Porter, E-mail: [dporter@pa-law.ca](mailto:dporter@pa-law.ca)

**Vale Newfoundland and Labrador Limited**

Mr. Tom O'Reilly, Q.C., E-mail: [toreilly@coxandpalmer.com](mailto:toreilly@coxandpalmer.com)

Mr. Denis Fleming, E-mail: [dfleming@coxandpalmer.com](mailto:dfleming@coxandpalmer.com)

**Innu Nation**

Ms. Nancy Kleer, E-mail: [nkleer@oktlaw.com](mailto:nkleer@oktlaw.com)

Ms. Stephanie Kearns, E-mail: [skearns@oktlaw.com](mailto:skearns@oktlaw.com)

**Towns of Labrador**

Mr. Edward Hearn, Q.C., E-mail: [miller&hearn@crstv.net](mailto:miller&hearn@crstv.net)

**Yvonne Jones, MP Labrador**

Yvonne Jones, E-mail: [Yvonne.Jones.C1@parl.gc.ca](mailto: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-47 to IR-PUB-NLH-52**

**Issued: February 24, 2014**

---

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

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

**IR-PUB-NLH-49** In the Rates, Rules and Regulations, section F: RSP Surplus, 3.2, Hydro writes that:

*"The monthly adjustments will be applied to the balance each month. At the end of the phase-in period, any remaining balance will be added to the Industrial Customer plan then in effect."*

Since this clause appears in the section referring to Teck Resources, is it intended that this clause should also refer to the treatment of the RSP Surplus for the other Industrial Customers? If yes, please provide a correction to section 3.1 of the Rate Stabilization Plan (Interim). If not, why not?

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

**IR-PUB-NLH-51** On page 4, clause 12 of the Amended Interim Rates Application, Hydro states that:

*"Hydro is proposing that the fuel rider monthly adjustments be held separately from the current RSP for a disposition upon a final Order."*

While in the amended Rate Stabilization Plan rules, section D; adjustment, 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 24<sup>th</sup> day of February 2014.

#### **BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

Per

  
 Cheryl Blundon  
 Board Secretary