Public Utilities Board
NEWFOUNDLAND & LABRADOR
120 Torbay Road • Prince Charles Building, Suite E210 • St. John's, Newfoundland and Labrador • A1A 2G8

2026-11-13

Consumer Advocate
Adrienne Ding
Email: ading@odeaearle.ca

Dear Ms. Ding:

Re: Newfoundland and Labrador Hydro - 2026 General Rate Application - To CA - Requests for Information

Enclosed are Requests for Information PUB-CA-001 to PUB-CA-004 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, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,

Mike McNiven
Board Secretary

MM/cj

ecc **Newfoundland and Labrador Hydro**
Shirley Walsh, Email: shirleywalsh@nlh.nl.ca
Dan Simmons, Email: dan.simmons@mcinnescooper.com
NLH Regulatory, Email: nlhregulatory@nlh.nl.ca

Newfoundland Power Inc.
Dominic Foley, Email: dfoley@newfoundlandpower.com
Liam O'Brien, Email: lobrien@curtisdawe.com
Douglas Wright, Email: dwright@newfoundlandpower.com
NP Regulatory, Email: regulatory@newfoundlandpower.com

Consumer Advocate
Justin King, Email: jking@odeaearle.ca
General Email: consumeradvocate@odeaearle.ca

Industrial Customer Group
Dana Constantine, Email: drconstantine@stewartmckelvey.com
Denis Fleming, Email: dfleming@coxandpalmer.com
Glen G. Seaborn, Email: gseaborn@poolealthouse.ca

Labrador Interconnected Group
Nick Kennedy, Email: nkennedy@oktlaw.com

Iron Ore Company of Canada
Greg Moores, Email: gmoores@stewartmckelvey.com

Public Utilities Board
Michael Collins, Email: mcollins@scllaw.ca

IN THE MATTER OF the **Public Utilities Act**, (the "**Act**"); and

IN THE MATTER OF a general rate application by Newfoundland and Labrador Hydro to establish customer electricity rates for 2027.

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION

PUB-CA-001 to PUB-CA-004

Issued: November 13, 2026

PUB-CA-001 **Revenue Requirement & Regulatory Accounting Evidence prepared by Darren Rainkie on behalf of the Consumer Advocate, November 2, 2026, page 69.**

Mr. Rainkie recommends that the Board decline Hydro's proposal for an 8-year amortization period for the Business Systems Transformation Program Regulatory Deferral Account and instead approve a 10-year amortization period, referring to the recent depreciation study/technical update, the size of the deferral, the nature of the deferred costs as consistent with intangible assets, and Hydro's plans for continued service through ongoing maintenance, upgrades and enhancements.

a) Given that the BST is already in service, please explain why a 10-year service life supports a 10-year recovery period for the existing deferred balance. To what extent does your recommendation assume that future maintenance, upgrades and enhancements will extend the benefit of the costs already deferred?

b) If Hydro were to substantiate an eight-year remaining period of benefit for the existing deferred costs, taking into account ongoing maintenance, upgrades and enhancements, would that change your recommendation from 10 years to eight years? Please explain why or why not.

PUB-CA-002 **Revenue Requirement & Regulatory Accounting Evidence prepared by Darren Rainkie on behalf of the Consumer Advocate, November 2, 2026, page 71.**

Mr. Rainkie recommends a five-year amortization period for the Reliability & Resource Adequacy Study Review Regulatory Deferral Account, rather than Hydro's proposed eight-year period based on the recency of additions to the account and the associated probability of more enduring value for ratepayers, as well as the more material account balance of $5.1 million.

a) How was a five-year amortization period determined to be appropriate, rather than Hydro's proposed eight-year period or another period? Please clarify whether the five-year period reflects the expected remaining period of benefit or is based on other regulatory considerations, and identify any analysis, assumptions or regulatory precedent supporting the five-year period.

b) If Hydro were to demonstrate that the existing deferred costs are expected to provide benefits over the next eight years, what basis would there be for recovering those costs over five years rather than eight years?

PUB-CA-003 **Rainkie Evidence, page 51, pages 79-81; Response to CA-NLH-272; Response to PUB-NLH-142(e); Brattle Report, page 31.**

Mr. Rainkie recommends that financing costs on the LTSCVDA accrue at Hydro's short-term borrowing rate rather than the weighted average cost of capital (WACC). He reports that Hydro assumed a short-term borrowing rate of 2.78 percent for the 2027 Test Year (Response to CA-NLH-272) and reports Hydro's illustrative calculation at a short-term rate of 3.39 percent (Response to PUB-NLH-142(e)). He states that the account "is expected by NLH to be extinguished within the next year" and that the absence of a recovery and disposition proposal "is problematic." In 2023, the short-term rate applied to the existing Supply Cost Variance Deferral Account, 5.72 percent, exceeded the approved WACC of 5.43 percent.

a) state which short-term rate is being recommended for the 2027 Test Year and its source;
b) state whether the recommendation would change for balances carried longer than one year, and whether a rate matched to the expected duration of the balance would be supported;
c) state whether the recommendation would change in a year in which Hydro's short-term borrowing rate exceeds the WACC; and
d) describe the recovery and disposition methodology that would be appropriate, including whether balances should be disposed of among classes on the same allocation basis on which they accrued.

PUB-CA-004 **Cost of Service and Rate Design Matters Evidence prepared by Kelly Derksen, page 39.**

Ms. Derksen recommends the use of a zone of reasonableness to assess the results of the cost-of-service study. Explain how the use of a zone of reasonableness could be applied by Hydro in establishing customer rates given the legislative requirement that the rural deficit is not permitted to be recovered from industrial customers.

DATED at St. John's, Newfoundland and Labrador, this 13th day of November, 2026.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per

Mike McNiven
Board Secretary