

NEWFOUNDLAND D 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: khopkins@newfoundlandpower.com

2018-08-29

Kelly Hopkins Corporate Counsel Newfoundland Power Inc. 55 Kenmount Road P.O. Box 8910 St. John's, NL A1B 3P6

Dear Ms. Hopkins:

Re: Newfoundland Power Inc. - 2019-2020 General Rate Application Requests for Information

Enclosed are Information Requests PUB-NP-072 to PUB-NP-084 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 telephone (709) 726-6781.

Yours truly,

Cheryl Blundon **Board Secretary**

CB/cj Enclosure

Newfoundland Power Inc.

Liam O'Brien, E-mail: lobrien@curtisdawe.com NP Regulatory, E-mail: regulatory@newfoundlandpower.com

Consumer Advocate
Dennis Browne, Q.C., E-mail: dbrowne@bfma-law.com
Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com Bernice Bailey, E-mail: bbailey@bfma-law.com

International Brotherhood of Electrical Workers, Local 1620

Donald Murphy, E-mail: don@ibew1620.com Mark Murray, E-mail: mmurray@mwhslaw.com Matthew Gough, E-mail: mgough@mwhslaw.com

1	IN THE MATTER OF
2	the Electrical Power Control Act, 1994,
3	SNL 1994, Chapter E-5.1 (the " <i>EPCA</i> ")
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 filed by Newfoundland Power Inc.
9	to establish customer electricity rates for 2019
10	and 2020.

PUBLIC UTILITIES BOARD REQUESTS FOR INFORMATION

PUB-NP-072 to PUB-NP-084

Issued: August 29, 2018

1 **PUB-NP-072** Further to the response to PUB-NP-002 which asked for cost savings initiatives 2 and the associated savings of each initiative, has Newfoundland Power 3 identified quantifiable saving in the test years associated with the following 4 initiatives listed in the response: Customer Communications, Electrical System 5 Automation, and LED Street Lighting? If yes, provide the forecast savings and 6 if no, explain why savings have not been quantified and provided in the 7 response. 8 9 **PUB-NP-073** Given the increase in business risks since the last general rate application 10 referred to in the Application of the decline in the provincial economy and the rate increases required for the Muskrat Falls Project and the response to CA-11 12 NP-025 on actions to alleviate electricity price increases, is Newfoundland 13 Power of the opinion that it should consider additional cost savings initiatives 14 to those listed in the response to PUB-NP-002 to reduce, to the extent possible, 15 imminent rate increases for customers? If not, why not? If yes, explain the 16 approach that could be followed, including whether the implementation of a 17 productivity or cost reduction allowance would be effective? 18 19 **PUB-NP-074** Further to the response to PUB-NP-003 which demonstrates the improvement 20 in reliability since 1998 and the response to PUB-NP-019 on the current 21 balancing of costs and reliability, is Newfoundland Power of the opinion, given 22 the significant increases in rates anticipated arising from the Muskrat Falls 23 Project and the forecast provincial economy, that the costs associated with 24 continuing to improve reliability should be reviewed to determine if this strategy is appropriate in the current context? 25 26 27 **PUB-NP-075** Further to the response to PUB-NP-006, when was the last time that the 28 Company reviewed the appropriateness of its target of the median of the 29 Canadian Commercial Industrial Companies for salary adjustments for 30 executives and directors? Provide the most recent report on the appropriateness 31 of this target. 32 33 **PUB-NP-076** Further to the response to PUB-NP-010, provide a list of the positions in the 34 executive and director categories that are eligible to receive short-term 35 incentives in 2019 and 2020 and the amount forecast to be paid each year to 36 each position. 37 38 **PUB-NP-077** Further to the response to PUB-NP-010, provide sample short-term incentive 39 payment contract terms for a director position and an executive position. 40 41 PUB-NP-078 Further to the response to PUB-NP-010, explain how the annual cash 42 compensation component of managerial employees' salaries is determined. In 43 the response provide specific examples of cash payments amounts paid in 2018 44 and how they were calculated.

1 2 3 4	PUB-NP-079	Further to the response to PUB-NP-017, explain why the 2019 and 2020 costs associated with the Customer Service System replacement are included as operating costs and are not capitalized.
5 6 7 8	PUB-NP-080	Further to the response to PUB-NP-024, provide the amount of overtime each year 2015-2017 and explain the reasons for the increase each year over the preceding year.
9 10 11 12	PUB-NP-081	Further to the response to PUB-NP-025, describe the types of costs that are included in the forecast of costs for regulatory proceedings, including whether any internal salary costs are included.
13 14 15 16	PUB-NP-082	Further to the response to PUB-NP-026, explain why benefits costs are excluded in the average salary calculation and state the average salary each year 2018-2020 with fringe benefit costs included.
17 18 19 20	PUB-NP-083	Further to the response to PUB-NP-032, would any of the credit metrics at the different returns on equity stated in the response be problematic with respect to maintaining Newfoundland Power's credit rating?
21 22 23 24	PUB-NP-084	Further to the response to PUB-NP-034, would any of the credit metrics at the different returns on equity and capital structures stated in the response be problematic with respect to Newfoundland Power maintaining its credit rating or issuing First Mortgage bonds?

DATED at St. John's, Newfoundland this 29th day of August, 2018.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Cheryl Blundon
Board Secretary