



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2023-03-01

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Dear Madams/Sirs:

Re: Newfoundland and Labrador Hydro - Application for Non-Firm Rates - Clarification From Hydro on Issues

The Board has reviewed the responses to the requests for information filed by Hydro on January 23, 2023. The Board requires Hydro to clarify its position, and whether proposals for approval are required, in relation to the following:

- (i) Date on which the non-firm rate will be effective (PUB-NLH-005, PUB-NLH-007, IC-NLH-004): The requested effective date proposed in the Application was January 1, 2023, which is no longer possible. Hydro also stated that there is work to be completed once the non-firm rate is approved but a new effective date has not been proposed;
- (ii) Treatment of the non-firm revenue from Labrador customers (PUB-NLH-004, NP-NLH-017): Hydro stated that the non-firm revenues from Labrador customers should contribute to the rate mitigation required to keep electricity rates affordable on the Island Interconnected System but the Application does not contain a proposal for the revenue to be accounted in any way other than to be credited to Hydro's earnings; and
- (iii) Establishing a floor price for non-firm service (NP-NLH-004): Hydro stated that it would not consider it unreasonable to ensure the non firm energy charge is not priced lower than the firm energy charge for large General Service customers on the Labrador Interconnected System. The Application does not contain a proposal for approval to establish this parameter.

Following clarification from Hydro on these issues, the Board will set a date for a technical conference. Each party will be required to file a list of issues to be addressed by Hydro at the technical conference.

Sincerely,



Cheryl Blundon
Board Secretary

CB/cj

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