

The Consumer Advocate

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August 31, 2018

Board of Commissions of Public Utilities
120 Torbay Road, P.O. Box 2140
St. John's, NL A1A 5B2

**Attention: G. Cheryl Blundon, Director of
Corporate Services / Board Secretary**

Dear Ms. Blundon:

RE: Newfoundland Power's 2019-2020 General Rate Application

Further to the above-captioned, enclosed please find enclosed the original and twelve (12) copies of the Consumer Advocate's Requests for Information numbered CA-NP-128 to CA-NP-134.

A copy of this letter, together with enclosure, has been forwarded directly to the parties listed below.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,



**Stephen Fitzgerald
Counsel to the Consumer Advocate**

Encl.
/bb

cc **Newfoundland Power Inc.**
NP Regulatory (regulatory@newfoundlandpower.com)
Gerard Hayes (ghayes@newfoundlandpower.com)
Kelly Hopkins (khopkins@newfoundlandpower.com)
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IN THE MATTER OF

the *Electrical Power Control Act, 1994*
SNL 1994, Chapter E-5.1 (the “*EPCA*”)
and the *Public Utilities Act, RSNL 1990*,
Chapter P-47 (the “*Act*”), as amended; and

IN THE MATTER OF a General Rate

Application filed by Newfoundland Power Inc.
to establish customer electricity rates for 2019
and 2020

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION**

CA-NP-128 to CA-NP-134

Issued: August 31, 2018

- 1 CA-NP-128 As regards Newfoundland Power's response to CA-NP-073, the credit rating
2 reports supplied as attachment C are not readable. Please provide readable copies.
3
- 4 CA-NP-129 As regards Newfoundland Power's response to CA-NP-080, Newfoundland Power
5 was asked about the risk of utility assets being taken out of rate base, since they
6 were no longer "used and useful" and to indicate whether it faces materially
7 different risks of this nature to the Alberta utilities. In answer it refers to P.U. 13
8 (2016) where the Board did not allow additions to *Hydro's* rate base. Since the
9 answer provides no information either specific to Newfoundland Power or with
10 respect to removing assets from rate base, is the implication that Newfoundland
11 Power has never been required by the Board to take assets out of its *existing* rate
12 base, since they were no longer used and useful? Is it also the case that
13 Newfoundland Power has never been asked by the Board to verify that all assets
14 in rate base continue to be used and useful?
15
- 16 CA-NP-130 As regards Newfoundland Power's response to CA-NP-081, the question
17 specifically asked for two reports "Capital Market Assumptions and
18 Methodology" by AON Hewitt and Economic and Market Outlook by Mercer,
19 which were provided in 2016 in answer to CA-NP-014, neither were provided.
20 Please provide the most recent copies of each report.
21
- 22 CA-NP-131 As regards Newfoundland Power's response to CA-NP-097, in its answer
23 Newfoundland Power took "recent" to mean 2018. Does this also pertain to
24 analyst reports on Fortis published in 2017?
25
- 26 CA-NP-132 As regards Newfoundland Power's response to CA-NP-115, please provide the
27 worksheet in Excel format used to produce Attachment A, which is included in the
28 response to CA-NP-115.
29
- 30 CA-NP-133 In CA-NP-116, Mr. Coyne was asked to provide the raw or unadjusted betas for
31 his proxy groups. He declined to provide them for Value Line since he "does not
32 have the data." However, he indicates (page 37) that Value Line uses the Blume
33 methodology in which case it is a mechanical adjustment to convert raw betas to
34 adjusted betas as well as doing the opposite by converting adjusted betas back to
35 raw betas: no "data" is required. Can Mr. Coyne please provide the Value Line
36 unadjusted betas or explain why he cannot perform this calculation.

1 CA-NP-134 As regards Newfoundland Power's responses to CA-NP-121 parts (a) and (b),
2 neither answer is responsive.

3

4 (a) Please provide a "responsive" answer to CA-NP-121 part (a) that provides
5 Mr. Coyne's rationale for deciding that it was only worthwhile to compare
6 NP's credit metrics to his U.S. sample, and **not** to Canadian utilities.

7

8 (b) Please respond to part (b) of CA-NP-121 as copied below:

9

10 "b) Please provide a comparison of NP to the Canadian utilities using
11 the credit metrics used by DBRS."

12

13 (c) Please calculate the S&P metrics for NP, and compare to all Canadian and
14 U.S. utilities that have S&P ratings and data available. Please provide the
15 data and workpapers (in excel format) used for this analysis.

DATED at St. John's, Newfoundland and Labrador, this 31th day of August, 2018.

Per:



Stephen Fitzgerald

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