

120 Torbay Road • Prince Charles Building, Suite E210 • St. John's, Newfoundland and Labrador • A1A 2G8

2024-08-13

Newfoundland Power Inc.

Lindsay Hollett
55 Kenmount Road
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Consumer Advocate

Dennis Browne, KC Browne Fitzgerald Morgan & Avis Terrace on the Square, Level 2 P.O. Box 23135 St. John's, NL A1B 4J9 E-mail: dbrowne@bfma-law.com

Newfoundland and Labrador Hydro

Shirley Walsh P.O. Box 12400 Hydro Place, Columbus Drive St. John's, NL A1B 4K7 E-mail: shirleywalsh@nlh.nl.ca

IBEW Local 1620

Steven Stewart
Business Manager/Financial Secretary
100 New Gower Street, Suite 100
St. John's, NL A1C 6K3
E-mail: steven@ibew1620.com

Dear Madams/Sirs:

Re: Newfoundland Power Inc. - 2025-2026 General Rate Application
To Parties - Public Comments

Please find attached copies of comments received from the public which now form part of the Board record and will be posted to the Board's website.

Please note the Board's practice is to advise persons who submit letters that comments will be part of the hearing record and posted on the website. If the Board has not received prior consent to publish the individual(s) full name then will be identified with initials only. Therefore, the names and personal information have been redacted from these comments accordingly.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Jo-Anne Galarneau

Executive Director and Board Secretary

JG/cs Enclosure

ecc Newfoundland Power Inc.

Dominic Foley, E-mail: dfoley@newfoundlandpower.com Liam O'Brien, E-mail: lobrien@curtisdawe.com

NP Regulatory, E-mail: regulatory@newfoundlandpower.com

IBEW Local 1620

Adrienne Ding, E-mail: ading@odeaearle.ca Justin King, E-mail: jking@odeaearle.ca Kyle Rees, E-mail: krees@odeaearle.ca

Public Utilities Board

Maureen Greene, KC, E-mail: mgreene@pub.nl.ca

Newfoundland and Labrador Hydro

Dan Simmons, KC, E-mail: daniel.simmons@mcinnescooper.com Michael Ladha, KC, E-mail: michaelladha@nlh.nl.ca NLH Regulatory, E-mail: nlhregulatory@nlh.nl.ca

Consumer Advocate

Stephen Fitzgerald, KC, E-mail: sfitzgerald@bfma-law.com Bernard Coffey, KC, E-mail: berncoffey@gmail.com Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com Bernice Bailey, E-mail: bbailey@bfma-law.com

Newfoundland Power Inc. 2025-2026 General Rate Application Public Participation - Comments

	Initials	Date Received
1	Island Industrial Customer Group (IIC)	July 5, 2024
2	Canadian Federation of Independent Business (CFIB)	July 5, 2024
3	Roger Learning	July 5, 2024
4	Thomas Clancey	July 5, 2024
5	JS	July 4, 2024
6	Corrie Pardy	July 4, 2024
7	Bob Dewling	July 4, 2024
8	Trudy Drover	June 27, 2024
9	ВН	June 14, 2024
10	Glenn Roil	May 21, 2024



July 5, 2024

Paul L. Coxworthy
Direct Dial: 709.570.8830
pcoxworthy@stewartmckelvey.com

Via Electronic Mail

Newfoundland and Labrador Board of Commissioners of Public Utilities 120 Torbay Road P.O. Box 21040 St. John's, NL A1A 5B2

Attention: Jo-Ann Galarneau, Executive Director

and Board Secretary

Dear Ms. Galarneau:

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Re: Newfoundland Power Inc. 2025-2026 General Rate Application
- Letter of Comment of the Island Industrial Customer Group

1 Scope of Island Industrial Customer Group's Comments

These are the comments of the Island Industrial Customer (IIC) Group (Corner Brook
Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) LP, Vale
Newfoundland and Labrador Limited) on the Newfoundland Power Inc. 2025-2026
General Rate Application (the NP GRA).

The IIC Group's comments on the NP GRA are limited to the Settlement Agreement to establish a new wholesale rate for Newfoundland Power, filed on June 13, 2024 as Information #2 in the NP GRA, and the antecedent filings in the NP GRA on the same issue.

The IIC Group notes that it has not historically been an intervenor in NP GRAs, as the issues considered therein have always been (albeit with the now above introduced exception) discrete to Newfoundland Power's customers and strictly as between Newfoundland and Labrador Hydro (NL Hydro) and Newfoundland Power as its utility customer.

The IIC Group notes that Newfoundland Power's GRA filing, as filed with the Board on December 12, 2023, stated that:

The wholesale rate will be re-designed as part of <u>Hydro's next general rate application</u>.

This is expected to include a second block energy rate that will reflect the cost of energy exports, which is now considered the marginal cost of energy.¹

(Underlining added)

4152-0616-9386 v1

Newfoundland Power 2025-2026 General Rate Application, pages 1-8 and 1-9.

Newfoundland and Labrador Board of Commissioners of Public Utilities Page 2

The IIC Group were first made aware that the possibility of a new wholesale rate for Newfoundland Power, to be implemented <u>before</u> NL Hydro's next GRA and perhaps as soon as January 2025, was under discussion in the NP GRA on June 6, 2024, by NL Hydro. Subsequently, the IIC Group became aware of filings in the NP GRA in relation to this issue, including:

- Newfoundland Power's response to PUB-NP-004;
- (2) NL Hydro's responses PUB-NLH-001, PUB-NLH-011, and PUB-NLH-013; and
- (3) the Pre-Filed Evidence of Douglas Bowman, Expert Consultant for the Consumer Advocate, and in particular pages 13-15 of that Evidence.

The IIC Group is concerned that the evidence presented to the Board, to date, significantly oversimplifies the issues arising from a change of the wholesale rate for Newfoundland Power, particularly if such a change is not made within the context of a NL Hydro General Rate Application. In this regard, it is to be noted that the evidence presented in the NP GRA on a proposed new wholesale rate does not appear to address issues previously identified in the NL Hydro 2018 Marginal Cost Update Summary Report, the NL Hydro 2018 Cost of Service Methodology Review and the NL Hydro 2019 Wholesale Rate Redesign Report, nor the issues arising since as identified in the ongoing Reliability and Resource Adequacy Study Review, in particular (without limiting the foregoing) in respect of the increasing marginal costs of capacity.

Since June 6, 2024, the IIC Group has engaged its expert consultant, Patrick Bowman of InterGroup, and has with his assistance engaged with NL Hydro to attempt to arrive at a better understanding of the new wholesale rate proposal as represented by the "Wholesale Rate Revision Framework" filed as part of the Information #2 Settlement Agreement. The IIC Group notes that the Framework, under "Process" states that NL Hydro's application to revise the wholesale rate, to be filed on or about September 16, 2024, is "subject to the following principles", inter alia:

- there would be no adverse impact to Hydro's industrial customers; and
- customer rate changes are maintained consistent with OC2024-062 and the Government of Newfoundland and Labrador's rate mitigation plan.

Based on the initial review made by the IIC Group's expert consultant, it is far from clear that NL Hydro's proposal, as outlined in the Framework, would have no adverse impact on Hydro's Island industrial customers or is consistent with the rate mitigation plan. In particular, the IIC Group's expert has identified the following preliminary list of issues that need further consideration before NL's Hydro's proposal can be said to meet the principles the Framework states it is to be subject to:

 whether the new wholesale rate will be revenue neutral, particularly in the context of the operation of the NL Hydro Supply Cost Variance Deferral Account; 1

the marginal costs of serving winter load growth and capacity;

3

 whether new wholesale rates should be established without changes to demand rates;

prolonged process to bring to conclusion.

bushy

We trust these comments will be found to be in order.

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 the very limited opportunity to date to test export price development and its reasonableness as a benchmark for the marginal cost of energy; and

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 lack of fairness between the pricing of firm energy to the Island industrial customers and the proposed firm non-winter power to be supplied to Newfoundland Power under a new wholesale rate.

The IIC Group is particularly concerned that "shelving" a due consideration of the above

rate for Newfoundland Power, risks embedding adverse impacts for at least 2 years and

likely considerably longer given that (i) there is as yet no firm date for NL Hydro's filing of its next GRA (and past attempts to set a firm date or timeframe have repeatedly fallen by

the wayside) and (ii) the next NL Hydro GRA, due to its long postponement and the

novelty and complexity of the issues to be addressed within it, can be expected to be a

If NL Hydro proceeds with an application to revise the wholesale rate for Newfoundland

Power, the IIC Group respectfully request that it be afforded the reasonable opportunity

to intervene in that application. In the interim, the IIC Group will continue to engage with

NL Hydro in attempt to arrive at an approach that can address the above issues.

issues until the next NL Hydro GRA, while proceeding posthaste with a new wholesale

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Yours truly,

Stewart McKelvey

Paul L. Coxworthy

PLC/tas

25 c: 26 Shirley Walsh, Senior Legal Counsel- Regulatory, Newfoundland & Labrador Hydro Dennis M. Browne, K.C., Consumer Advocate Dominic J. Foley, Newfoundland Power Inc.

Dean Porter, Poole Althouse Denis Fleming, Cox & Palmer

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SENT VIA EMAIL July 5th, 2024

The Newfoundland and Labrador Public Utilities Board P.O. Box 21040 St. John's, Newfoundland and Labrador Canada, A1A 5B2

Subject: Newfoundland Power 2025-2026 General Rate Application

Dear Members of the Newfoundland and Labrador Public Utilities Board,

The Canadian Federation of Independent Business (CFIB) is writing to express our concerns about the proposed overall average increase of 5.5% in electricity rates by NL Power Corporation. As a representative of over 1,600 small businesses in Newfoundland and Labrador, we are particularly concerned about the impact this increase will have on these small businesses in the province.

Small business owners need predictable energy costs to plan and budget effectively. If increases are indeed necessary, they should be implemented along with a comprehensive plan that not only addresses NL Power's debt, but also includes a realistic strategy for meeting obligations and future electricity demand.

According to the June 2024 Monthly Business Barometer, 59% of small and medium sized businesses in Atlantic Canada report electricity costs as a major input cost. Given the current decline in domestic demand, the residual pandemic-related debt, and the persistent impact of inflation, small businesses are still struggling to cope with rising costs. Furthermore, research from last year clearly shows that almost two-thirds of small businesses are unable to pass these increased costs onto their customers without negatively affecting demand, which means they are shouldering the burden of these costs on their own.

NL Power's proposed rate increases could potentially undermine the provincial government's electricity rate mitigation plan and eliminate any potential cost relief it might have offered. Approving this rate increase sets a precedent for NL Power to continue to increase rates to achieve higher profits. We urge the board to mandate NL Power to explore alternate ways to increase its rate of return without burdening customers with higher electricity rates.

Additionally, NL Power has not provided a realistic long-term rate forecast, leaving the possibility of continuous rate increases for years to come. We would also request that the board mandate NL Power to make public, and update annually, a rolling forecast of electricity rates up to 2035. While we acknowledge the limitations of such a forecast, transparency on future rates is imperative.

CFIB generally recommends that the board adjust downward the general rate increase as request by the utility by actively mandating NL Power to prioritize internal efficiencies regarding operating and capital costs to reduce its revenue requirement.

Thank you for your time and consideration.

Sincerely,

Beatrix Abdul Azeez

Policy Analyst, Newfoundland and Labrador

From: roger.learning

To: Public Utilities Board

Subject: Hydro

Date: Friday, July 5, 2024 8:45:42 AM

Good Morning ..I'm sending this in "opposition" and strong opposition to the rate hikes being decided for NF Hydro.....

We've had enough..

Thank you. And hopefully a decision will be made to stop this outrageous request..

Regards Roger and Sharon Learning Sent from my iPad From: Thomas Clancy
To: Public Utilities Board
Subject: RE: NFLD Power Rate Hike
Date: Friday, July 5, 2024 6:21:04 PM

I urge you to reject the application before you.

These folks should be ashamed of themselves. They have a monopoly on an essential service, posted ~\$47 million in PROFIT last year and have the gall to seek an increase on their "rate of return" (from 8.5% to ~9.85%)?!? - they're explicitly asking you folks to allow a rate increase for additional profit, not to recover operating costs. Given the current economic climate and cost of living in our province, many are struggling to keep their homes, let alone keep them heated. NL Power have **guaranteed** income/profit levels - something that no other business can claim, and yet that's still not enough?!? They clearly need a reality check. I simply do not understand how they sleep at night. If they wish to see more profit, like other companies, let them do it from within their organization (restructure, examine expenditures etc.), and not on the backs of the people.

Thomas Clancy

From:

To:

Public Utilities Board

Subject:

Squash the rate increase

Date: Thursday, July 4, 2024 2:21:21 PM

Hi, as a beloved electricity consumer, I cannot afford another increase in bills and payments. I'm already living cheque to cheque to provide for my one income family. It is ridiculous that there is so much greed from the power providers when we in fact create our own electricity.

Please stop the hike, Sincerely a concerned Newfoundland and Labradorian who cannot afford higher bills Sent from my iPhone From: Corrie Pardy
To: Public Utilities Board

Date: Thursday, July 4, 2024 3:14:20 PM

Rate I increase you are applying for is outrageous due to the fact of you have a profit already...amongst may other reasons numerous and sensible. The fact that you want more from people who already have less and even more so if you get your increase in rate is shameful in you profiting by others suffering..from food not being gotten to repairs of households or just less money for rate payers is shameful. While you guys get a larger profit is absurd. PUB get in touch with every day people, and turn this application down..power is a necessity and so is life's needs of other things..do the right thing

From: Bob Dewling
To: Public Utilities Board

Subject: Increased shareholder profits

Date: Thursday, July 4, 2024 3:05:54 PM

Good afternoon,

Inflationary pressures from housing, mortgage rates, groceries, interest rates, etc. have placed enormous stresses on individuals and families throughout the province and country.

While I am understanding of requests for increases to the electricity due to infrastructure improvements, maintenance and costs, I must voice my objection to an increase for the purpose of increasing profits for shareholders. Investors do deserve to make money, why would they invest to break even. But increasing profits to those with money to invest while adding another financial burden to the majority is not acceptable. People can make a lot of adjustments to try to save a few dollars here and there but saving electricity is not as easy. You can keep your old car another year, you can downsize your home, you can wear old clothes longer, and you can survive on hot dogs or noodles, but no one should have to try to live without basic heat, light, etc. Freezing or having pipes burst due to trying to save money is not acceptable. I know people already living like this.

Bob Dewling

From: <u>Trudy</u>

To: Public Utilities Board

Subject: Rate Hikes!

Date: Friday, June 28, 2024 10:18:26 AM

To Whom it may concern,

I am writing this email on behalf of my 91 year old mother who is living in her own home! She is one of the fortunate ones who is able to live in her own home, not having to move into a senior's home where, I personally, have seen so many senior's health fail because of not being surrounded by their belongings. I am blessed to see that our mom has her health, strength and mind, to be able to live in her home at the age of 91!

What I am worried about where my mom is concerned is this. My mom has lived in her home for over 60 years. She used to have an oil/wood furnace to heat the home. When her husband, my father, passed away in 2008 she decided to change out her heating system to an electric boiler, which she thought would be the less expensive path to take! But it wasn't. It seemed like every other month, except for the summer months, her electric bill was going up and up! I chatted with her about her bill going up, of course this put excess stress on her wondering how she was going to be affording this bill! I suggested going on the Equal Billing Payment plan which she was a bit hesitant about but decided to try it out. When she first started out her electric bill was about \$250 a month, wasn't too bad and she seemed to be okay with the payment, even though paying \$250/mth in the summer months seem to not make sense, but she decided to continue.

The following year, her electric bill went up to \$273/mth! Then the following EBP went up to \$293/mth, then the next year \$300, then she received a letter stating that her EBP was going to go up to \$350/mth!! Now, this is a woman who every good day she could get would hang her clothes on the outside line to dry her clothes. Loved washing her clothes at least every 3rd – 4th day and went down to washing clothes once a week to once every week and a half and her bill was going up and up! My mom ended up on having to go on a blood thinner last year and now is finding it colder in the winter months. Putting on sweater and heavy quilts on her to watch tv, but refuses to put the heat up because she is finding it harder and harder to pay for electric heat! How sad!

My mother worked hard for her family to keep a roof over our heads and now she is having to worry about keeping the roof over her own head and not having the stress of having to leave her home to go somewhere she does not want to go because she can't afford to keep warm! Heating her home is only one of the difficulties she is having to face! Medications that are not covered under the gov't drug program, having to travel over the highway to get to an appointment which she has to pay for the gas to go into the vehicle of whomever takes her, which is not cheap these days! Now that is not counting the meals she has to pay for herself and the driver! Her home insurance, a small life insurance for herself, groceries, town taxes, TV cable bill, phone bill and now a rate hike in the power bill again! I did read the letter from NL Power stating that they understand the hardships that everyone is having to deal with, but

do you really understand how this rate hike is affecting everyone?

A while back, I stood behind a senior in a pharmacy store, explaining to the pharmacist that she can't afford the much needed medication that a Doctor had prescribed for her to take and almost in tears as she walked away! How bad I felt because I did not have the money to pay for that much needed medication because if I had the money, I would have paid for it with a heart and a half! I wonder how many people, especially seniors, had to walk away from medication that is not paid for under the gov't program, because they could not afford it? Now, come July, NL Power is looking for another rate hike that will come to about 10% within this year and next year? Wanting to go from over \$45 million a year to what is it, \$60 million a year? For what, to help pay for the benefits and bonuses of the executive's? Really? And you say you understand the hardships of those who are struggling to live! If you understand and have at least one ounce of human compassion, you would not be asking for this rate hike, you should be lowering it! That would be compassion! I can understand that everything goes up but \$48 million a year isn't enough and now NL Power is trying to reach \$60 million a year!!!! Outrageous!

I think you really need to start thinking about your customers and especially those who are struggling to make ends meet, like my 91 year old mother! You need to step into their shoes because I am sure that the executives on your board are NOT struggling to find out where their next door is going to come from! How they are going to afford to keep the heat on in their homes!

Please think about the senior's who are going cold in the winter months! Think about if it was your parents who were struggling to keep warm or trying to find the money to pay to put food in their fridge to try and survive! Please think about all this before you raise these rates! It could be you!

Sincerely,

Trudy Drover

A very concerned daughter of my 91 year old mom!

From:
To:
Subject:
Public Utilities Board
NL Power Increases

Date: Friday, June 14, 2024 9:01:02 AM

Without Prejudice

Like most people, I am working to live and provide the best lifestyle I can for my family and I. Unfortunately lifestyle is not as relevant of a term nowadays as I have to manage the cost to live.

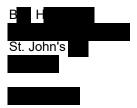
The cost of living has dramatically increased over the past three years due to a number of factors, especially corporate greed. When corporations (utilities, crown entities, whatever) are charging consumers more for the essentials of life, the cost to just live becomes unsustainable. Electricity is necessary to live in NL and our dependency on it is growing due to technology growth and climate change.

When an entity proposes that they are entitled to increase the cost of something we need to live, just to match the profit of utilities in another country, or just to increase profit, well it sounds like greed.

I do not believe a rate increase application to raise profits is justifiable, especially for an entity that is already profitable. The fact that NLers are using more electricity consistently throughout the year, not just to heat homes but to cool them, will feed their profit aspirations. We are already dealing with rate mitigation as we work to pay for Muskrat Falls. Although NL Power is separate from that project, I feel they bear part of the social responsibility of providing something we depend on to live, and part of that responsibility is to provide electricity in the context that we live in, in Newfoundland.

Newfoundland's situation, when it comes to electricity, demands everyone bear their own weight. I am requesting that the PUB ask NL power to defer the rate increases (or portion due to profit) until such a time it can be justified and the cost of providing electricity is more balanced with the cost of living in NL. Much like rate payers have to limit driving, travelling, buying good food and turning the thermostat down. We cannot work to live and pay for profit at the same time.

Regards,



Hon. Dr. Andrew Furey

Premier of Newfoundland and Labrador

Office of the Premier

P.O. Box 8700

Confederation Building Complex

St. John's, NL,

Canada

A1B 4J6

May 21, 2024

Re: Newfoundland Power Rate Increases

Dear Premier Furey:

I am writing to you Premier Dr. Andrew Furey and your Ministers responsible for the file that is related to the Newfoundland Power rate increase currently in front of the NL Public Utility Board. I do first thank you and your Government of NL and the Government of Canada to implement rate mitigation in respect to NL Hydro for the Muskrat Fall project but I am wondering what you and your government can do with Newfoundland Power parent company Fortis with their rate application with the PUB for this year and next year because with a increase on energy and heat is a basic human right for life in NL and in Canada as a northern climate with a cold and stormy winter weather and at the same time we all in the province of NL, across the country in Canada and around the world are still in a cost of living crisis with still some high inflation as a effect of the global heath pandemic.

With so many people in NL who are living in extreme poverty and living in legislative poverty rate with Income Support, people who are working and living on minimum wage rates, people with disabilities who are living in poverty, seniors who are living on low and fixed income, middle class who are struggling with child care spaces, taxes and other cost of living expenses and small business owners and entrepreneurs who are struggling with their business interest after the effects of the global pandemic are requiring assistance and help from the Government of NL. So, with this very important and pressing matter for all the people and businesses in the province of NL to remove the provincial part of the HST for energy and heat bills as of July 1, 2024, increase the amount of payments to Income Support immediately, increase the amount on the heating allowance for clients with NL Housing Corporation, have a further increase in the minimum wages and what ever support you can offer to the middle class

and the business sector. You and your government need to implement immediately a guaranteed livable basic income from the Health Accord NL and the All Party Committee on Basic Income as people in the province has no disability benefit like other provincial government and the Canada Disability Benefit is not adequately funded and is delay by over another year before a launch of the benefit by the Government of Canada.

As so many people are already affected with mortgage and rent cost increases with interest rate increases by the Bank of Canada along with a national housing crisis, the record number of the people using food banks in the province of NL, which is 15, 425 visits in NL in March 2023 according to data from Food Banks Canada which makes NL the most food insecure in Canada. If people that are working with who on low and fix income trying to cover the basic needs of life from shelter, groceries, essentials, utilities and transportation will affect their physical and mental health and wellness. With so many people who can not get their needs cover in health care with a global health care crisis, this costs either in people lives or in dollars and sense to the Department of Finance and Treasury Board with Government of NL by increase cost to the health care system from not able to make healthy choices in terms of food and beverages with low and fixed income and or in the criminal justice system because people will not make choices that are right or legal to survive in their lives.

I hope this letter was helpful to you and your government to make some important decision for the people of the province of NL. I have offered a number of recommendations and solutions to Tom Osborne the Minister of Health and Community Services on the matter to complex needs clients and on the All-Party Committee on Substance Use and Addictions and some of these solutions can be used in this important file. Also, I have requested a number with you and your officials on a number of occasions with no follow up with you and your office, but I am happy to accommodate you and your staff on this request for meeting on this important matter.

Your Sincerely,

Glenn Roil

Global Award-Winning Mental Health Advocate

National Basic Income and Poverty Elimination Advocate

Award Winning Human Rights Champion

Government of NL Mental Health Care and Treatment Review Board Member

Canada Without Poverty Vice President and Board Member

Stigma Zero Referral Partner

Cc: Hon. Siobhan Coady Deputy Premier and Minister of Finance and President of Treasury Board

Hon. Andrew Parsons Minister of Industry, Energy and Technology

Hon. Paul Pike Minister of Children, Seniors and Social Development

Hon. Bernard Davis Minister of Environment and Climate Change and Minister Responsible for Labour

Hon. Tom Osborne Minister of Health and Community Services

Hon. Fred Hutton Minister of Housing