

**IN THE MATTER OF** the Commission  
of Inquiry respecting the Muskrat Falls  
Project

**APPLICATION AND SUBMISSIONS  
BY NEWFOUNDLAND POWER INC.  
REGARDING STANDING**

1. Newfoundland Power Inc. ("Newfoundland Power") seeks standing before the Inquiry in accordance with Rules 8-14 of the Commission's Rules of Procedure.
2. Newfoundland Power is a corporation duly organized and existing under the laws of the Province of Newfoundland and Labrador, is a public utility within the meaning of the *Public Utilities Act* ("PUA"), and is subject to the provisions of the *Electrical Power Control Act, 1994* (the "EPCA").
3. Newfoundland Power is principally an electricity distribution and customer service utility. Newfoundland Power distributes electricity to approximately 265,000 customers on the Island of Newfoundland, with sales of approximately 6,000 gigawatt hours (GWhs) per annum. Its total electricity revenue is approximately \$670 million per annum.
4. Newfoundland Power generates approximately 7% of the electricity which it supplies to its customers from its own hydroelectric and thermal generating stations. However, Newfoundland Power is dependent upon Newfoundland and Labrador Hydro ("Hydro") as the exclusive supplier of approximately 93% of the electricity which Newfoundland Power delivers to its customers.
5. The Muskrat Falls Project will be an essential component of the future electricity supply to Hydro and, in turn, the electricity supply to Newfoundland Power and its customers.
6. Newfoundland Power recognizes the power policy expressed in the EPCA, including the requirement that all sources and facilities for the production, transmission and distribution of power in the Province should be managed and operated in a manner that, *inter alia*,

- (i) would result in the most efficient production, transmission and distribution of power;
  - (ii) would result in consumers in the Province having equitable access to an adequate supply of power; and
  - (iii) would result in power being delivered to consumers in the Province at the lowest possible cost consistent with reliable service.
7. As the principal distribution utility on the Island of Newfoundland, Newfoundland Power has knowledge and experience concerning utility industry practice and the utility operations and the electricity supply in the Province.
8. As a regulated utility, Newfoundland Power has knowledge and experience concerning the public utility regulatory processes under the PUA and the EPCA. Regulatory processes include both the regulatory mechanisms and hearings administered by the Public Utilities Board and public policy directives by the Lieutenant Governor in Council under section 5.1 of the EPCA.
9. The Inquiry and the Commission's recommendations have the potential to affect the interests of Newfoundland Power and its customers, including the future electricity supply, customer rates and the regulatory processes.
10. Newfoundland Power seeks full standing, with the ability to participate in the Inquiry with respect to all aspects of the Commission's Terms of Reference. However, Newfoundland Power's primary focus and participation will be with respect to the future operation of the Province's electricity system, potential impacts upon Newfoundland Power's operations and upon its customers, including customer rate impacts and rate mitigation measures, and the regulatory processes and procedures under the PUA and the EPCA.
11. Newfoundland Power's interest in the planning, approval, and construction of the Muskrat Falls Project relates to the potential implications for the Province's future electricity supply, customer rates, and the regulatory processes. This interest in the various Terms of Reference is further illustrated and explained as follows:

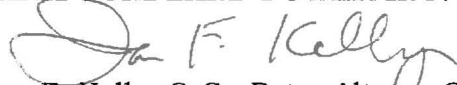
- a) the reasonableness of Nalcor's consideration of options under sub-section 4(a) of the Terms of Reference may have implications for future regulatory processes and the determination of the least-cost option for the supply of power to Newfoundland Power and its customers;
  - b) the differences between the initial estimates and the actual construction costs under sub-section 4(b) of the Terms of Reference may affect customer rates and rate mitigation measures in balancing the interests of the ratepayers, primarily Newfoundland Power's customers, and the interests of taxpayers as referred to in sub-section 5(e) of the Terms of Reference;
  - c) the justification and reasonableness of the exemption from oversight by the Board of Commissioners of Public Utilities and its effect on the development, costs and operation of the Muskrat Falls Project under sub-section 4(c) of the Terms of Reference may have implications for the future operations of the Province's electricity system, customer rates, and the regulatory processes; and
  - d) the information, governance and decision-making processes associated with the Muskrat Falls Project under sub-section 4(d) of the Terms of Reference may have implications for future decision-making processes, including the regulatory processes under the PUA and the EPCA.
12. Section 5 of the Commission's Terms of Reference requires the Commission to consider certain factors in carrying out its Terms of Reference. Sub-sections 5(b) and (e) of the Terms of Reference, in particular, may have implications for the future operation of the Province's electricity system, potential impacts upon Newfoundland Power's operations and upon its customers, including customer rate impacts and rate mitigation measures, and the regulatory processes and procedures under the PUA and the EPCA.
  13. Newfoundland Power intends to participate in the Commission's hearings in a manner which focuses on those matters which may affect Newfoundland Power and its customers. In addition, Newfoundland Power recognizes the

Commissioner's right and ability to control the conduct of the hearings and the participation of any party so as to ensure that the Inquiry proceeds expeditiously and efficiently.

14. Rule 10 of the Commission's Rules of Procedure set forth the considerations which may affect the grant of standing.
15. Based upon all of the foregoing, Newfoundland Power submits that:
  - a) there is the potential that its interests and its customers' interests may be adversely affected by the Inquiry's findings and recommendations;
  - b) its participation would further the conduct of the Inquiry; and
  - c) its participation would contribute to the openness and fairness of the Inquiry.
16. Newfoundland Power therefore respectfully requests standing before the Inquiry. Newfoundland Power requests to be heard at the St. John's sitting of the Inquiry on April 6, 2018 if a hearing of its application is required.


**DATED** at St. John's, Newfoundland and Labrador, this 23rd day of March, 2018.


**NEWFOUNDLAND POWER INC.**


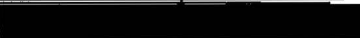


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