

1 Q. (Reference Application Volume 1, page 1.11) It is stated (lines 6 – 9): “Nalcor’s June
2 23, 2017 project update stated that average island residential electricity rates are
3 expected to increase to 22.89 cents (¢) (plus HST) per kilowatt hour (kWh) in 2021 as
4 a result of the Muskrat Falls Project. The present average rate for these customers is
5 11.7 ¢ per kWh (plus HST), a gap of 11.19 ¢ per kWh.” The expectation is that rates
6 will almost double (96% increase) owing to the Muskrat Falls project. Is Hydro
7 aware of any jurisdictions in Canada or the United States where rates have doubled
8 owing to a single event? Please provide examples of cases in North America where
9 rates have increased by over 25% and explain what these jurisdictions did to
10 mitigate the rate increase.

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13 A. Please find below two recent examples of rate increases in excess of 25% from
14 North American utilities. Hydro notes that its search of regulatory jurisdictions and
15 historical decisions was not exhaustive.

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17 **Alberta - 2015**

18 In July 2015, Enmax customers in Calgary Alberta availing of the Regulated Rate
19 Option experienced an approximate 44% rate increase.¹ This rate increase was due
20 to seasonal factors and rates decreased in subsequent months.

¹ Enmax files monthly energy rates with the Alberta Utilities Commission, which are determined in accordance with the *Electric Utilities Act*, SA 2003. Please refer to the following news release from the Government of Alberta which details the 44% rate increase:

<https://www.alberta.ca/release.cfm?xID=382684FF22C39-F7B6-644D-918452C4C009AB8C>.

- 1 **Ontario – 2014**
- 2 Effective April 1, 2014, Enbridge received approval of an approximate 40% rate
- 3 increase for natural gas customers in parts of Ontario.²

² Per Ontario Energy Board decision EB-2014-0039.