

- 1 Q. (a) Please advise if Hydro plans to continue to increase the rates of its rural isolated customers
2 (customers not on the Island Interconnected system) whose rates are based on
3 Newfoundland Power rates as the collection of Muskrat Falls costs are included and
4 increased in Newfoundland Power utility's rate, in the absence of further direction from
5 government.
- 6 (b) If (a) is confirmed, has Hydro explained to these customers that even though the Muskrat
7 Falls costs will only be collected from the Island Interconnected customers, Hydro's rural
8 isolated customer rates will also increase as Newfoundland Power's customer's rates
9 increase to recover Muskrat Falls costs, but will be used to reduce the rural deficit? If so,
10 please provide this communication.
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- 12
- 13 A. (a) Absent any change in government direction, Newfoundland and Labrador Hydro ("Hydro")
14 will continue to comply with Order in Council OC2003-347 and apply Section 16 of Hydro's
15 Rates, Rules and Regulations, *Policies for Automatic Rate Changes* in its applications for rate
16 changes for its rural customers.
- 17 (b) Hydro has provided information on its website with respect to rates for its rural customers,¹
18 as well as communication to them in the form of a bill insert which is attached as
19 PUB-NLH-002, Attachment 1. However, the communication does not discuss, in depth, the
20 mechanics and impacts of Order in Council OC2003-347, and Section 16 of Hydro's Rates,
21 Rules and Regulations, *Policies for Automatic Rate Changes* as it relates to Island
22 Interconnected customer rates and the recovery of Muskrat Falls project costs.

¹ <<https://nlhydro.com/electricity-rates-remain-stable-decreases-in-most-rate-categories-effective-july-1-2022/>>.

July 1, 2022 Rate Change

Customer Bill Insert

Revised Draft: June 29, 2022

ELECTRICITY RATES REMAIN STABLE, DECREASES IN MOST RATE CATEGORIES, EFFECTIVE July 1, 2022

Rates for Newfoundland and Labrador Hydro's (Hydro) Island Interconnected, L'Anse au Loup and Isolated Rural customer rates will remain stable, with most rates decreasing between 0.1% and 0.3%, effective July 1, 2022.

There is no change to rates for Labrador Interconnected customers.

Why are rates decreasing?

As Newfoundland Power's rates are changing as of July 1st, 2022, Hydro is required to automatically adjust rates for some customers so they pay the same rates as Newfoundland Power customers or their existing rates are adjusted by the average rate of change granted Newfoundland Power.

Rates are implemented in accordance with Section 16 of Hydro's Rules and Regulations, Policies for Automatic Rate Changes.

For rate changes by customer area, please see reverse.

July 1, 2022 Rate Change

July 1, 2022 Rate Changes by System & Service Area

Service Area	Customer Type	Average Rate Decrease (%)
ISLAND INTERCONNECTED SYSTEM Customers in rural areas on the island served by Hydro (ex. St. Anthony, Springdale) and customers from L'Anse au Clair to Red Bay, Labrador (L'Anse au Loup systems)	Residential	-0.2
	General Service: 0 - 100 kilowatts (kW)	-0.3
	General Service: 110 - 1000 kilovolt amperes (kVA)	-0.3
	General Service: > 1000 kVA	-0.3
ISLAND DIESEL SYSTEMS <i>Excluding Government Departments</i> Customers in isolated rural communities served by Hydro's diesel generation (ex. Ramea, St. Brendan's, etc.)	Residential	-0.2
	General Service: 0 - 10 kW	-0.3
	General Service: > 10 kW	-0.3
LABRADOR DIESEL SYSTEMS <i>Excluding Government Departments</i> Customers in isolated rural communities served by Hydro's diesel generation (ex. Cartwright, Hopedale, etc.)	Residential	-0.1*
	General Service: 0 - 10 kW	-0.3
	General Service: > 10 kW	-0.3
L'ANSE AU LOUP SYSTEMS Customers in rural areas on the island served by Hydro (ex. St. Anthony, Springdale) and customers from L'Anse au Clair to Red Bay, Labrador (L'Anse au Loup systems)	Residential	-0.2*
	General Service: 0 - 100 kW	-0.3
	General Service: 110 - 1000 kVA	-0.3
LABRADOR INTERCONNECTED Customers serviced by Hydro's interconnected system in Labrador (ex. Wabush, North West River, Happy Valley – Goose Bay)	All Customers	0.0

*Rates for customers in Hydro's L'Anse au Loup and Labrador Diesel Systems are adjusted for the Northern Strategic Plan.