

1 Q. **Reference: Application, Schedule 1, Table 1**

2 It appears that all of Hydro's proposed increase in the Utility Rate will be on a per-kilowatt-hour
3 basis and be equal to 0.499 cents per kilowatt hour.

4 a) Is the preceding statement correct?

5 b) If approved, would the proposed increased Utility Rate carry through to end-customers'
6 energy rates across customer classes or would basic customer charges and demand
7 charges also be affected?

8 c) Please provide a full explanation of the basic customer charge including its purpose and
9 the cost components that are recovered in the charge.

10

11

12 A. a) Yes, Newfoundland and Labrador Hydro ("Hydro") is proposing to increase the Utility Rate
13 by 0.499 cents per kWh. The increase incorporates the combined impact of the proposed
14 change in the Rate Stabilization Plan ("RSP") Current Plan Adjustment and the Conservation
15 and Demand Management Cost Recovery Adjustment.

16 b) Hydro is responsible for determining the Utility Rate to be charged to Newfoundland Power
17 Inc. ("Newfoundland Power"); the retail rate calculation is the responsibility of
18 Newfoundland Power. Hydro is not able to provide detailed information regarding the end
19 customer energy rate calculation; however, generally, an increase in end customer rates
20 resulting from the operation of Hydro's RSP and Newfoundland Power's Rate Stabilization
21 Account primarily impacts energy charges.

22 c) Retail rates for the Island Interconnected System are determined by Newfoundland Power.
23 The breakdown of the July 1, 2023 rate change between rate components will be reflected
24 in the rate application to be filed by Newfoundland Power to update its customer rates. It is
25 Hydro's understanding that Newfoundland Power's costs incurred through the Utility Rate
26 charged by Hydro are not reflected in the monthly basic customer charges that apply to
27 retail customers.