

1 Q. Prior to the approval of the Supply Cost Variance Deferral Account and the discontinuation of
2 the Rate Stabilization Plan in Order Nos. P.U. 33 (2021) and P.U. 4(2022), the Rural Rate
3 Alteration was included in the March 31st Rate Stabilization Plan balance used to calculate the
4 July 1st Utility rates. As of March 31, 2023, the balance in the Rural Rate Alteration component
5 of the Supply Cost Variance Deferral Account was \$8,219,619 owing to Newfoundland Power.

6 a) Did Hydro consider proposing the transfer of the balance in the Rural Rate Alteration to
7 the Rate Stabilization Plan as of March 31, 2023 for the calculation of July 1st rates? If
8 not, please explain why.

9 b) Please provide the rate impact to the end consumer using the scenario noted in (a).

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12 A. a) Newfoundland and Labrador Hydro (“Hydro”) did not consider proposing the transfer of the
13 balance in the Rural Rate Alteration (“RRA”) to the Rate Stabilization Plan (“RSP”) as of
14 March 31, 2023. Hydro has computed its proposed RSP Current Plan Adjustment in
15 accordance with Board Order No. P.U. 33(2021)¹ and the RSP Rules for Balance Disposition
16 approved in Board Order No. P.U. 4(2022).²

17 The Government of Newfoundland and Labrador funded the balance in the Supply Cost
18 Variance Deferral Account based on the approved definition which included the credit
19 balance relating to the RRA.

20 b) PUB-NLH-002, Attachment 1 provides the bill impact if the RRA was transferred to the RSP
21 from the Supply Cost Variance Deferral Account as of March 31, 2023.

¹ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 33(2021), Board of Commissioners of Public Utilities, December 8, 2021. “In addition the Application proposes that the Rural Rate Alteration be included as a component in the new Supply Cost Variance Deferral Account and that it be expanded to also include changes in revenues for Hydro Rural Island Interconnected system customers resulting from sales variances from the test year load forecast. The parties did not object to the Rural Rate Alteration proposals. The Board accepts that the Rural Rate Alteration should be a component of the new account and that it should be expanded to reflect load variances on the basis that the fixed payment structure of the Muskrat Falls Project agreements creates the potential for material earnings volatility if sales to Hydro’s Rural Island Interconnected system customers vary from the test year forecast.”

² *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 4(2022), Board of Commissioners of Public Utilities, February 21, 2022.

Utility Estimated Customer Billing Impacts – July 1, 2023
 RSP, CDM, and Project Cost Recovery Rider

	Billing Units ¹	Unit	Current Rates	Billings at Existing Rates (\$)	Proposed July 1, 2023 Rates	Revised Billings (\$)	Change (\$)	Change Utility (%)	Estimated Change End Customer ² (%)
Demand (kW)	15,012,624	\$/kW/mo	5.00	75,063,120	5.00	75,063,120			
Energy (MWh)	3,960,000	¢/kWh	2.444	96,782,400	2.444	96,782,400			
Energy (MWh)	1,548,829	¢/kWh	18.165	281,344,738	18.165	281,344,738			
Total Base Rate				453,190,258		453,190,258	-		
RSP Current Plan Adjustment	5,508,829	¢/kWh	(0.023)	(1,267,031)	0.343	18,895,283	20,162,313	4.1	2.9
CDM Cost Recovery Adjustment	5,508,829	¢/kWh	0.035	1,928,090	0.015	826,324	(1,101,766)	(0.2)	(0.2)
Project Cost Recovery Rider	5,508,829	¢/kWh	0.798	43,960,453	0.798	43,960,453	-	0.0	0.0
Total				497,811,770		516,872,318	19,060,547	3.8	2.7

¹ Billing units are based on 2022 actuals.

² Percentages may not add due to rounding.