

- 1 **Q. (Reference Application, 4.1 Sandy Brook Hydro Plant Generator**
2 **Refurbishment) What is the impact of this project on rates?**
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- 4 A. The proposed refurbishment of the Company's Sandy Brook hydro plant will result in the
5 continued provision of low-cost energy to customers, thereby avoiding the need to
6 purchase more expensive replacement production. The customer benefit associated
7 with the continued operation of the Sandy Brook hydro plant is estimated to be
8 approximately \$0.8 million in lower annual revenue requirement.¹ This \$0.8 million
9 estimate translates to a customer rate benefit of approximately 0.1%.²

¹ Based on 2024 revenue requirement impacts associated with reduced exports and avoided capacity additions partially offset by the annual revenue requirement for continued operation of plant under a run of river scenario.

² Based on a \$0.8 million reduction from current customer billings of approximately \$734 million as outlined in Newfoundland Power's *Application for July 1, 2022 Customer Rates* filed with Board on June 14, 2022.