

Board of Commissioners of Public Utilities
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Ms. Cheryl Blundon
Director - Corporate Services & Board Secretary

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June 15, 2023

Dear Ms. Blundon,

Re: Newfoundland Power Inc.
2023 Proposed Changes to Customer Rates

Introduction and scope

We have completed our review of Newfoundland Power Inc.'s (the "Company") Application dated June 2, 2023 (the "Application") requesting approval of the Rate Stabilization Adjustment ("RSA") and Municipal Tax Adjustment ("MTA") factor to be applied to the rates of the Company for the period July 1, 2023 to June 30, 2024 pursuant to Sections 70 and 71 of the Public Utilities Act. We also reviewed the incorporation of the Utility rates proposed by Newfoundland and Labrador Hydro ("Hydro") in its application filed on April 17, 2023 and approved by the Board in Order No. P.U. 15 (2023).

Our procedures were focused on ensuring the methodology and calculations relating to the RSA, the MTA and Utility rates were in accordance with Board Orders. More specifically, our procedures with respect to confirming the Company's calculations in Schedules 2 and 3 of the Application included agreeing the various components to source data.

The scope of our review is as follows.

1. Confirmed the calculation, found in Schedule 2, of the RSA of 1.180 cents per kWh;
2. Confirmed the calculation, found in Schedule 3, of the MTA factor of 1.02472;
3. Ensured the calculations included in Schedules 2 and 3 are in accordance with Board Orders;

4. Ensured the Company's schedule of Rates, Rules and Regulations as set out in Schedule 4 incorporates the increase in the Utility rates approved by the Board in Order No. P.U. 15 (2023) and the 2023 RSA and MTA adjustments included in the Application; and,

Findings

Utility Rates, RSA and MTA

Based upon the results of our procedures we can advise that we did not note any discrepancies in the calculations or methodology and therefore we:

- Confirm that the Company's calculation in Schedule 2 of the Application, which represents the RSA effective July 1, 2023 of 1.180 cents per kWh, is appropriate.
- Confirm that the Company's calculation in Schedule 3 of the Application, which represents the MTA factor effective July 1, 2023 of 1.02472, is appropriate.
- Confirm that the Company's schedule of Rates, Rules and Regulations as set out in Schedule 4 incorporates the Utility rates approved by the Board in Order No. P.U. 15 (2023), and the 2023 RSA and MTA adjustments included in the Application.

I trust this is the information you requested. If you have any questions, please contact me.

Yours sincerely,

Grant Thornton LLP



Barry Griffiths, CPA, CA
Principal