

1 Q. **Reference: Reliability and Resource Adequacy Study 2022 Update, Volume I, page 8, lines 1-3**
2 **and footnote 28.**

3 Hydro states that: “The mitigated rate that formed the basis of the rate included in the load
4 forecast is the target mitigated rate that was announced publicly by the Government of
5 Newfoundland and Labrador.” Provide the numerical value(s) of the rate used each year in the
6 forecast.

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9 A. Table 1 provides the average island interconnected residential electricity rate used in the
10 “Reliability and Resource Adequacy Study – 2022 Update”¹ is provided in Table 1.²

Table 1: Average Island Interconnected Residential Electricity Rate (¢/kWh)^{3,4}

Year	Rate
2023	13.63
2024	14.65
2025	15.70
2026	16.55
2027	17.12
2028	17.84
2029	18.20
2030	18.57
2031	18.96
2032	19.34

¹ “Reliability and Resource Adequacy Study - 2022 Update,” Newfoundland and Labrador Hydro, October 3, 2022.

² Average rate is defined as total revenue including basic customer charges from all-electric heat and non-electric heat domestic rate classes divided by sales.

³ The underlying electricity rate aligns with the Government of Newfoundland and Labrador’s rate mitigation target of 14.7¢/kWh, escalating at 2.25% per year, as referenced in the “Technical Briefing Rate Mitigation,” Government of Newfoundland and Labrador, July 28, 2021, filed as part of the “Items Impacting the Delay of Hydro’s Next General Rate Application – Further Update,” Newfoundland and Labrador Hydro, August 27, 2021. To phase into the target rate from the forecast rate of 13.2¢/kWh for 2022 the assumption was rate increases on July 1, 2023 of 7.5%, July 1, 2024 of 7.5%, and July 1, 2025 for 4.33% until the average rate equaled the target rate escalating at 2.25% per year. An estimated rate impact of generation expansion builds was added to the rate mitigation target to assess the impact on the Island Interconnected System load forecast. This is considered a high-level estimate of what the rate impact potential could be based on an estimate of the cost of builds over the ten-year forecast period.

⁴ Excludes GST and HST.