

1 Q. **Reference: Reliability and Resource Adequacy Study 2022 Update, Volume I, page 8, lines 12-**
2 **14.**

3 Hydro states that: “an estimated rate impact placeholder for generation expansion builds was
4 utilized to assess the impact on the Island Interconnected System. This estimated rate impact
5 placeholder was included as an addition to the mitigated rate.”

6 Provide the numerical value(s) of this rate impact placeholder and the total rate used as input to
7 the rates model including both the mitigated rate and the rate impact placeholder.

8 Also, provide a description of and the results from any analysis showing the sensitivity of the
9 load forecast to this rate impact placeholder.

10

11

12 A. The rate impact from generation expansion builds as well as the total rate used in the
13 “Reliability and Resource Adequacy Study – 2022 Update” is provided in Table 1. The load
14 forecast impact from higher rates is forecast to decrease annual Island Interconnected System
15 energy requirements by approximately 100 GWh and decrease demand requirements by
16 approximately 17 MW by the end of the study period.

Table 1: Average Island Interconnected Residential Electricity Rate (¢/kWh)^{1,2}

Year	Generation Expansion Builds	
	Rate Impact	Total Rate ³
2023	0	13.63
2024	0	14.65
2025	0.163	15.70
2026	0.481	16.55
2027	0.685	17.12
2028	1.043	17.84
2029	1.027	18.20
2030	1.008	18.57
2031	0.997	18.96
2032	0.976	19.34

¹ 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.

² Excludes GST and HST.

³ The total rate includes rate impact from generation expansion builds and 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 of 4.33% until the average rate equaled the target rate escalating at 2.25% per year.