

1 Q. **Reference: Application**

2 In Order No. P.U. 16(2019) the Board directed Hydro to “file its next GRA no later than  
3 September 30, 2020 for rates based on a 2021 Test Year”. Hydro requested a delay in the filing  
4 owing to uncertainties relating to Muskrat Falls and rate mitigation and the resulting inability of  
5 Hydro to “prepare a GRA filing that would reasonably reflect the costs that Hydro will incur in  
6 providing electrical service to its customers for use in determining proposed customer rates.”  
7 (see April 15, 2019 letter from Hydro to the Board titled “Application to Delay the Filing of  
8 Newfoundland and Labrador Hydro’s Next General Rate Application”). By Order P.U. 15 (2020)  
9 the Board approved Hydro’s request to delay the filing of its next General Rate Application.

10 a) Please provide an update. Does Hydro now have the necessary information, and if so, when  
11 will Hydro file its next GRA?

12 b) Based on the information now available on the Government’s rate mitigation policy  
13 (domestic island customer rate target of 14.7 cents/kWh) what is Hydro’s best estimate of  
14 rates in 2022, 2023 and 2024?

15  
16  
17 A. a) The time frame for filing Newfoundland and Labrador Hydro’s (“Hydro”) next general rate  
18 application (“GRA”) remains unknown at this time. Hydro continues to estimate that it  
19 would require approximately nine months preparing its next GRA. This time line would begin  
20 once Hydro has certainty related to the commissioning of the Labrador-Island Link and the  
21 finalization of the details of government’s rate mitigation plan. Hydro will provide its next  
22 quarterly update to the Board of Commissioners of Public Utilities on the timing of its next  
23 GRA<sup>1</sup> on September 30, 2022 and will provide a more defined time frame for the filing of its  
24 GRA when further information is available.

---

<sup>1</sup> As per “Public Utilities Act, RSNL 1990, c P-47, Board Order No. P.U. 15(2020),” Board of Commissioners of Public Utilities, May 27, 2020.

1           **b)** Hydro’s utility and customer rates for July 1, 2022 were approved by the Board in  
2           Order Nos. P.U. 19(2022)<sup>2</sup> and P.U. 25(2022),<sup>3</sup> respectively. The average domestic customer  
3           rate on the Island Interconnected System effective July 1, 2022 is approximately \$13.4 cents  
4           per kWh.<sup>4</sup> The July 1, 2022 rates were aligned with provincial government policy goals<sup>5</sup> and  
5           designed with a view to maintaining retail electricity rate stability.

6           Hydro is unable to provide an estimate of rates for 2023 and 2024 at this time. To inform  
7           future rate forecasts, further information is required regarding when payments under the  
8           Transmission Funding Agreement will begin and the details of the provincial government’s  
9           rate mitigation plan.

---

<sup>2</sup> “Public Utilities Act, RSNL 1990, c P-47, Board Order No. P.U. 19(2022),” Board of Commissioners of Public Utilities, June 21, 2022.

<sup>3</sup> “Public Utilities Act, RSNL 1990, c P-47, Board Order No. P.U. 25(2022),” Board of Commissioners of Public Utilities, August 18, 2022.

<sup>4</sup> Based on average monthly consumption of 1,264 kWh including the Basic Customer Charge and Discounts.

<sup>5</sup> “Application for July 1, 2022 Utility Rate Adjustments,” Newfoundland and Labrador Hydro, May 27, 2022, sch. 3.