

1 Q. Presuming Hydro will be filing a General Rate Application (GRA) in 2025, please indicate the  
2 reason the proposed rate adjustment cannot be implemented as an interim rate following that  
3 filing (i.e. rather than assume a delay until full GRA review occurs and is finalized).

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6 A. On September 26, 2024, Newfoundland and Labrador Hydro (“Hydro”) filed its Quarterly Update  
7 – Items Impacting the Delay of Hydro’s Next General Rate Application (“GRA”)<sup>1</sup> with the Board  
8 of Commissioners of Public Utilities (“Board”). With the details of the Government of  
9 Newfoundland and Labrador’s rate mitigation plan finalized, Hydro stated that it “continues to  
10 prepare to file its next GRA in the second half of 2025.”

11 Hydro could file an application requesting the Board approve interim rates following the filing of  
12 the GRA in 2025; however, filing such an application will add more process to the GRA  
13 proceeding, and delay the implementation of a revised wholesale rate that more accurately  
14 reflects Hydro’s marginal cost and provides benefits to customers.

15 The current application to revise the wholesale rate results in no customer rate impact on the  
16 proposed implementation date of January 1, 2025. The timing of implementation is intended to  
17 coincide with the implementation of Newfoundland Power Inc.’s 2025–2026 GRA. This will allow  
18 for the change in power purchase costs to be reflected in test year revenue requirements along  
19 with updates to deferral account calculations, which will avoid an estimated 2.9% rate increase  
20 for residential customers on July 1, 2026.

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<sup>1</sup> “Quarterly Update – Items Impacting the Delay of Hydro’s Next General Rate Application,” Newfoundland and Labrador Hydro filed September 26, 2024. <http://www.pub.nl.ca/indexreports/nextgeneral/From%20NLH%20-%20Filing%20of%20Next%20General%20Rate%20Application%20-%20Quarterly%20Update%20-%202024-09-26.PDF>