1   Q.   Please provide a redesign of the proposed wholesale rate under the following two assumptions:

2   **a)**   The rate was designed as proposed, except that the winter second block energy price
3   included the marginal cost of blended energy/capacity (Schedule 1, Attachment 1, Table 7),
4   and other aspects of the rate were rebalanced to be revenue neutral at 2019 test year loads.

5   **b)**   The same as (a) except that the rate was designed to be revenue neutral at 2025 forecast
6   loads.

7   **c)**   The rate was designed as proposed, except that the demand charge was raised to collect
8   100% of the marginal annual cost of capacity, and other aspects of the rate were rebalanced
9   to be revenue neutral at 2019 test year loads.

10   **d)**   The same as (c) except that the rate was designed to be revenue neutral at 2025 forecast
11   loads.

12   **e)**   Please provide a detailed discussion of the implications for Hydro, Newfoundland Power,
13   the SCVDA balance, and Newfoundland Power customers of adopting each of the above
14   proposals as an alternative to the rate proposed in the Hydro application.

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17   A.   **a)**   Newfoundland and Labrador Hydro ("Hydro") is not proposing a change to the demand rate
18   for Newfoundland Power Inc. ("Newfoundland Power") or Island Industrial Customers in this
19   application. The demand rates are currently calculated based on embedded costs[1] and any
20   changes to the methodology should be addressed in the general rate application when the
21   impact of the Muskrat Falls Project costs and rate mitigation are reflected in the updated
22   Cost of Service Study.

23   **b)**   Please refer to Hydro's response to IC-NLH-010 of this proceeding.

24   **c)**   Please refer to part a) of this response.

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[1] The demand rate for Newfoundland Power is calculated based on the embedded cost in the Cost of Service Study. The actual rate charged has been negotiated considering the marginal cost of capacity in relation to embedded costs.

1   **d)**   Please refer to Hydro's response to IC-NLH-010 of this proceeding.

2   **e)**   Please refer to part a) of this response.