Q. **Reference: Application**

How do residential rates for customers on the Island Interconnected system (e.g., St. John's) compare to other major cities in Canada? Is there relevance in comparing rates to all other Canadian provinces, or should NL rates be compared only to those provinces where hydropower provides the bulk of electricity to customers, namely, BC, Manitoba and Quebec? If such a comparison is made, where would residential rates in NL stand?

A. Per a study conducted by Hydro-Québec in 2023,[1] electricity rates for customers on the Island Interconnected System—as in St. John's—fell below the average rate paid in other major Canadian cities (13.73 cents per kilowatt hour versus about 16 cents per kilowatt hour).[2,]

There is relevance in comparing electricity rates across Canada, as there are a multitude of factors that determine a province's electricity costs and, subsequently, how customer rates are affected. While generation type is one of those factors, so are transmission distance, population density, total production, peak load expectations, climate/topography, regulatory considerations, supplier and customer mix, labour and material availability, and more. Comparing the customer rates solely to other provinces based on generation type would not necessarily provide a meaningful comparison.

[1] "2023 Comparison of Electricity Prices in Major North American Cities," Hydro-Québec.
[2] Before tax and service charges.