

- 1 **Q.** (Reference CA-NP-046(d)) It is stated “*An increase in customer rates due to*
2 *electrification initiatives would be minimal over the near term, with a forecast*
3 *increase of 0.006 ¢/kWh in the first year of implementing the 2021 Plan,*
4 *representing an average annual customer bill increase of approximately \$1.17*
5 *for a residential customer with electric heating.” Given the “minimal” rate*
6 *impact, and the benefits to Newfoundland Power’s shareholder deriving from*
7 *the gain in sales revenue owing to the ECDM program, why is Newfoundland*
8 *Power’s shareholder not taking on this cost in the 2022 through 2025*
9 *timeframe?*
- 10
- 11 **A.** Newfoundland Power has proposed recovery from customers of costs associated with
12 the *Electric Vehicle (“EV”) Charging Network* on the basis that the expenditures
13 contribute to the delivery of least-cost, reliable service to customers.
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- 15 This is consistent with the Board’s findings in its order approving capital expenditures for
16 the *EV Charging Network* in 2021. In issuing that order, the Board found that: (i) it has
17 the authority to approve for recovery from customers capital expenditures that are
18 consistent with the provision of least-cost, reliable service; (ii) that the EV charging
19 stations will benefit customers; and (iii) that recovery from customers of the associated
20 costs should be approved on that basis.¹

¹ See the Board’s Reasons for Decision in issuing Order No. P.U. 30 (2021), page 10, lines 32 to 37, and page 13, lines 18 to 22.