

1 **Q. Reference: (2024 Rate of Return on Rate Base, page 1 of 8)**
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3 **Newfoundland Power is proposing to change existing customer rates on July 1, 2024**
 4 **to recover a proposed increase in its revenue requirement in 2024 of \$11,835,000.**

5 **a) Does July 1 correspond to the date when Newfoundland Power typically**
 6 **implements the Rate Stabilization Adjustment?**

7 **b) What components are typically included in a Rate Stabilization Adjustment?**

8 **c) What Rate Stabilization Adjustment is included in rates today? Please provide a**
 9 **breakdown by component in cents/kWh.**

10 **d) What is Newfoundland Power’s current estimate of the Rate Stabilization**
 11 **Adjustment that will be implemented on July 1, 2024?**
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13 **A. a) Yes, the Rate Stabilization Adjustment occurs annually on July 1st.**

14
 15 **b) The Rate Stabilization Adjustment is to be recalculated on July 1st of each year to**
 16 **reflect: (i) the accumulated balance in the Company’s Rate Stabilization Account as**
 17 **of March 31st of the current year; and (ii) any change in the Utility Rate charged by**
 18 **Newfoundland and Labrador Hydro (“Hydro”) to Newfoundland Power as a result of**
 19 **the operation of Hydro’s Muskrat Falls Project Cost Recovery rider, Rate**
 20 **Stabilization Plan and Conservation and Demand Management (“CDM”) Cost**
 21 **Recovery Adjustment.**

22
 23 **c) Table 1 provides components that are included in the Rate Stabilization**
 24 **Adjustment.¹**

Table 1
Rate Stabilization Adjustment
as of July 1, 2023
(¢/kWh)

Hydro	
Utility Rate charged by Hydro	0.486
Hydro’s CDM Cost Recovery Adjustment	0.014
Muskrat Falls Project Cost Recovery Rider	0.769
Newfoundland Power	
Rate Stabilization Account	(0.089)
Total²	1.180

25 **d) See response to Request for Information NLH-NP-008.**

¹ Based on Newfoundland Power’s total energy sales of 5,718,811 MWh from April 1, 2022 to March 31, 2023.

² Approved in Order No. P.U. 17 (2023).