

1 Q. **Reference: PUB-NLH-001**

2 In Hydro's opinion, is the current wholesale rate design limiting Newfoundland Power's ability to
3 re-design its retail rates so that tail-block energy charges better reflect marginal energy costs?
4 More specifically, in Hydro's opinion is an updated wholesale rate a necessary precondition for
5 Newfoundland Power to update its retail rates?

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8 A. Newfoundland and Labrador Hydro does not believe that an updated wholesale rate is a
9 necessary pre-condition for Newfoundland Power Inc. ("Newfoundland Power") to update its
10 retail rates.

11 In Newfoundland Power's response to part c) of PUB-NP-004 of this proceeding, Newfoundland
12 Power stated:

13 Newfoundland agrees that if there were certainty that the current wholesale
14 rate was to remain in place until December 31, 2026, then it would be
15 reasonable to rebase power supply energy costs based on the current wholesale
16 rate as part of the Company's *2025/2026 General Rate Application*.