

**Section 1: Proposal to Not Rebase Power Supply Costs**

- 1  
2  
3 **Q.** (Section 1, page 1-8 and 1-9) It is stated “*The wholesale rate will be re-designed as*  
4 *part of Hydro’s next general rate application. This is expected to include a second*  
5 *block energy rate that will reflect the cost of energy exports, which is now considered*  
6 *the marginal cost of energy. The marginal cost of energy exports is forecast to be in the*  
7 *range of 3 to 5¢ per kWh on an annual basis in 2025 and 2026.” In the Additional  
8 **Information** filed by Newfoundland Power with the Board on December 13, 2023, it  
9 is stated (Footnote 9) “*If Hydro’s GRA continues to experience delays, Newfoundland*  
10 *Power believes that it may also be possible for Hydro to file a separate filing to change*  
11 *the wholesale rate ahead of its next GRA.”*  
12 a) Given the inefficiencies associated with the current wholesale rate which has a  
13 tail-block energy charge of 18.165 cents/kWh compared to a marginal cost of 3  
14 to 5 cents/kWh, why did Newfoundland Power and Hydro not submit a filing for  
15 a revised wholesale rate prior to submission of this GRA?  
16 b) Was Hydro originally ordered to file its next GRA no later than September 30,  
17 2020?  
18 c) What wholesale rate design does Newfoundland Power believe to be appropriate  
19 at this point in time and why?  
20  
21 A. a) See part a) to the response to Request for Information PUB-NP-004.  
22  
23 b) Yes, this is correct.  
24  
25 c) See the responses to Requests for Information PUB-NP-004 and PUB-NP-007.*