

1 **Schedule B**

2  
3 **Q. (Schedule B) Please provide a table showing the marginal cost of demand and**  
4 **energy for Rate 1.1, Rate 2.1, Rate 2.3 and Rate 2.4 customer classes.**

5  
6 A. Newfoundland Power's existing customer rates reflect the results of recommendations of  
7 the *Retail Rate Review* conducted in 2010. The *Retail Rate Review* consisted of a  
8 comprehensive review of Newfoundland Power's domestic and general service rates and  
9 an evaluation of alternative rates.<sup>1</sup> It included consideration of the *Newfoundland Power*  
10 *Marginal Cost of Electricity Study* which provided a detailed breakdown of  
11 Newfoundland Power's marginal costs by rate class.<sup>2</sup>

12  
13 Newfoundland Power is currently in the process of conducting an updated Rate Design  
14 Review.<sup>3</sup> Similar to the previous *Retail Rate Review*, Newfoundland Power will complete  
15 an up-to-date marginal cost study to inform its future rate designs.<sup>4</sup>

16  
17 See the response to Request for Information CA-NP-096 for Newfoundland and Labrador  
18 Hydro's latest forecast of marginal energy and capacity costs on the Island  
19 Interconnected System.

---

<sup>1</sup> The Board implemented recommendations from the review, as appropriate, in subsequent years. For example: (i) in Order No. P.U. 13 (2013) the Board approved, among other things, changes in relation to the basic customer charge and changes to the Early Payment Discount; and (ii) in Order No. P.U. 18 (2016) the Board approved separate Basic Customer Charges under General Service Rate 2.1.

<sup>2</sup> The *Newfoundland Power Marginal Cost of Electricity Service Study* was completed by Nera Economic Consulting on January 29, 2007.

<sup>3</sup> In Order No. P.U. 3 (2022), the Board directed Newfoundland Power to conduct a new Load Research Study and Retail Rate Design Review as proposed by the Company.

<sup>4</sup> In Phase two of the updated Rate Design Review, Newfoundland Power will assess potential changes in the Company's rate designs based on updated embedded and marginal costs.