

1 **Q. (Reference CA-NP-118)**

- 2 a) **How long has it been since the Settlement Agreement pertaining to the 2022-**
3 **2023 GRA was signed, and what results stemming from the Rate Design Review**
4 **and the Load Research Study agreed to in the Settlement Agreement are**
5 **incorporated in this GRA?**
- 6 b) **Does the Settlement Agreement pertaining to the 2022-2023 GRA preclude any**
7 **discussion or action on rate design and cost of service until Newfoundland Power**
8 **decides it is time for such discussions?**
- 9 c) **Does Newfoundland Power have internal rate design and cost of service**
10 **expertise or does it rely on external consultants for this expertise?**
- 11 d) **Was the 2006 Load Research Program conducted in-house, or did**
12 **Newfoundland Power hire an external consultant to undertake the study?**
- 13 e) **Were the results of the 2006 Load Research Program incorporated in the cost of**
14 **service study dated May 2007 and included in Newfoundland Power’s 2008**
15 **GRA? How long did it take to complete the May 2007 cost of service study? Was**
16 **the May 2007 cost of service study completed in-house, or did Newfoundland**
17 **Power hire an external consultant to undertake the study?**

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- 19 A. a) The Settlement Agreement, which formed part of the *2022/2023 General Rate*
20 *Application*, was filed on November 23, 2021 (the “Settlement Agreement”). The
21 Settlement Agreement stated that Newfoundland Power would conduct a Load
22 Research Study and a Retail Rate Design, with a detailed framework for each,
23 including a cost estimate, to be provided to the parties in 2022 for input. This was
24 approved by the Board in Order No. P.U. 3 (2022).¹

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26 The Company’s Load Research Study and Rate Design Review is ongoing. As such,
27 Newfoundland Power did not propose changes to the Company’s rate designs in its
28 *2025/2026 General Rate Application*.²

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- 30 b) No, the Settlement Agreement does not preclude any discussions or action on rate
31 design and cost of service. See part e) to response to Request for Information
32 CA-NP-259 for further information.
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- 34 c) Newfoundland Power has internal knowledge of its rate designs and possesses
35 expertise in the areas of rate design and cost of service; however, rate design reviews
36 are not conducted routinely at Newfoundland Power. Therefore, the Company
37 recognizes the value in engaging a third-party consultant, who possesses a
38 wide-ranging knowledge and expertise on how rate design and load research studies
39 are conducted throughout various jurisdictions, to inform any proposed changes in
40 rate design in Newfoundland and Labrador.³

¹ In the same order, the Board approved the Load Research and Rate Design Cost Deferral Account.

² See Newfoundland Power’s *2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 5 Customer Rates*, page 5-9, lines 17 to 19 and page 5-10, lines 19-20.

³ Newfoundland Power’s engagement of an external consultant was included in the *Load Research and Rate Design Review Framework* circulated by the Company on December 30, 2022.

1 d) Newfoundland Power's most recent load research study was completed on June 16,
2 2006 (the "2006 Load Research Study"). The 2006 Load Research Study was
3 conducted in-house by Newfoundland Power and was completed over the December
4 2003 to March 2006 timeframe.⁴

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6 e) The cost of service study filed as part of the Company's *2008 General Rate*
7 *Application* (the "May 2007 COS Study") was based on a cost of service study year
8 of 2005.⁵ The May 2007 COS Study incorporated the results of the 2006 Load
9 Research Study.⁶

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11 The May 2007 COS Study was completed in-house. While the exact timeframe for
12 completion is not known, Newfoundland Power's estimates its cost of serve studies
13 typically take four to six weeks to complete.

⁴ Newfoundland Power proposed to implement a load research program as part of its *2003 General Rate Application*. The Board approved the Company's proposal in Order No. P.U. 19 (2003), which was issued on June 20, 2003.

⁵ See Order No. P.U. 32 (2007). This is consistent with the Company's approach in its current General Rate Application. The Cost of Service Study filed as part of the Company's *2025/2026 General Rate Application* utilized a 2022 *Pro Forma* Cost of Service Study, adjusted to reflect the *pro forma* impact of the timing of the implementation of customer rates approved in the *2022/2023 General Rate Application* and the cost of service changes related to the execution of the Company's *LED Street Lighting Replacement Plan* (see the Company's *2025/2026 General Rate Application, Volume 2, Supporting Materials, Reports, Section 4 Cost of Service Study*).

⁶ See Order No. P.U. 32 (2007), page 14. Newfoundland Power's *2008 General Rate Application* proposed rate design also incorporated marginal cost considerations as determined by a Marginal Cost Study completed in January 2007.