

- 1 **Q.** (Reference April 17, 2024 Brattle Report entitled Review of Newfoundland Power
2 Load Forecasting Methodology) It is stated (page 24) "The Company has under-
3 forecasted its domestic load four out of five times during the last five-year period,
4 which implies that the Company was able to collect more revenues from the domestic
5 class as a result of under forecasting domestic sales." The current wholesale rate for
6 power purchased by Newfoundland Power has a tail-block energy charge of 18.165
7 cents/kWh. Further, Newfoundland Power is proposing a rate for its Domestic
8 customer class with an energy charge of 14.178 cents/kWh. The marginal cost of
9 energy is expected to be in a range of 3 and 5 cents/kWh. Please comment on the
10 following scenarios:
- 11 a) Under a scenario with the current wholesale rate and the proposed Domestic
12 Class rate, if Newfoundland Power underforecasts sales to its Domestic Class,
13 it would expect to lose 3.99 cents/kWh (18.165 - 14.178) on each kWh sold
14 above forecast.
- 15 b) Under a scenario with a revised wholesale rate with a tail-block energy charge
16 of 4 cents/kWh based on the marginal cost of energy and the proposed
17 Domestic Class rate, if Newfoundland Power under-forecasts sales to its
18 Domestic Class, it would expect to earn 10.178 cents/kWh (4 - 14.178) on each
19 kWh sold above forecast.
- 20 c) Under a scenario with a revised wholesale rate with a tail-block energy charge
21 of 4 cents/kWh based on the marginal cost of energy and a revised Domestic
22 Class rate with a tail-block energy charge of 4 cents/kWh (plus a loss-
23 adjustment factor) based on the marginal cost of energy, if Newfoundland
24 Power under-forecasts sales to its Domestic Class, the increase in purchase
25 costs would for the most part be cancelled out by the increase in revenues (4
26 - 4) and the revised rates would promote more efficient consumption
27 decisions by both Newfoundland Power and the Domestic Customer class.
- 28
- 29 A. Our report solely was concerned with Newfoundland Power's forecasting approach.
30 We will not opine on any of the above scenarios.