

1 **Section 3: Finance/Fair Return**
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3 **Q. Reference: “2025/2026 General Rate Application,” Newfoundland Power Inc.,**
4 **December 12, 2023, vol. 1, Evidence, sec. 3.2.8, p. 3-14, Table 3-11, and f.n. 30.**

5 **a) Please reconcile footnote 30 to Table 3-11 and provide the calculation to the**
6 **Energy Supply Cost Variance Account that results in the difference in the Cash**
7 **Flow Debt Coverage.**

8 **b) Please provide the calculation of the Cash Flow Debt Coverage including and**
9 **excluding the impact of current energy supply cost variances. Show the impact**
10 **of the current energy supply cost variances on a separate line with supporting**
11 **calculations.**

12
13 **A. a) Table 1 provides the reconciliation of footnote 30 to Table 3-11 and provides the**
14 **calculation to the Energy Supply Cost Variance Account that results in the difference**
15 **in the Cash Flow Debt Coverage.**

Table 1:
Cash Flow Debt Coverage Reconciliation

		2023F	2024E	2025E	2026E
CFO pre-working capital ¹ (\$000s)	A	100,320	82,767	81,975	80,614
Energy Supply Cost Variance (\$000s)	B = E x F	32,441	36,382	42,073	41,152
Forecasted Purchases (GWh) ²	C	5,834.9	5,870.0	5,920.7	5,912.5
2023 Test Year Purchases ³ (GWh)	D	5,545.9	5,545.9	5,545.9	5,545.9
Variance (GWh)	E = C - D	289.0	324.1	374.8	366.6
Wholesale Rate Differential ⁴ (¢/kWh)	F	11.225	11.225	11.225	11.225
Adjusted Year End Debt ⁵ (\$000s)	G	777,424	812,374	851,784	897,683
Cash Flow Debt Coverage	A / G	12.9%	10.2%	9.6%	9.0%
Cash Flow Debt Coverage (excluding energy supply cost variance)	(A + B) / G	17.1%	14.7%	14.6%	13.6%

16 b) See part a).

¹ See the 2025/2026 General Rate Application Volume 1, Application, Company Evidence and Exhibits, Exhibit 3, page 4 of 9, line 11.

² See the 2025/2026 General Rate Application, Volume 2, Supporting Materials, Tab 3, Customer, Energy and Demand Forecast, Appendix C, page 1 of 1.

³ See the 2022/2023 General Rate Application, Volume 2, Supporting Materials, Tab 3, Customer, Energy and Demand Forecast, Appendix C, page 1 of 1. 2023 forecast purchases includes actual purchases to June 30th.

⁴ Wholesale rate of 18.165 ¢/kWh less 2023 Test Year Unit Energy Cost of 6.94 ¢/kWh.

⁵ Net of debt issue costs and includes pension adjustment consistent with Moody's methodology.