

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. 3.3.2, p. 3-39.**5 **Provide a numerical example demonstrating the impact on contribution resulting**
6 **from an additional 300 GWh of sales in 2024 including the activity flowing through**
7 **each regulatory mechanism impacted. For this example, assume sales are in the**
8 **domestic class; a sample table is provided.**

(\$000)	Existing	Adjustment 1	Adjustment 2	Adjustment 3	Revised
Revenue from Rates					
Transfers from the Rate Stabilization Account					
Purchased Power Expense					
Contribution					

9 A. Table 1 provides *pro forma* impact on 2024 contribution margin for the requested
10 scenario.

Table 1:
2024 Pro Forma Scenario
(\$millions)

	2024 Existing ¹	Sales Growth ²	RSA Impacts ³	Purchased Power Increase ⁴	2024 Pro Forma
Revenue from Rates	740.8	35.6	-	-	776.4
Transfers from the RSA	41.5	-	35.4	-	76.9
Less: Purchased Power Expense	522.8	-	-	61.6	584.4
Contribution Margin	259.5	35.6	35.4	(61.6)	268.9

¹ See Newfoundland Power’s 2025/2026 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 3, Financial Performance: 2022 to 2026F, page 1.

² The 2024 *pro forma* domestic rate is an average rate based on customer rates as of March 1, 2022 for January to June and the proposed domestic customer rate from the 2024 Return on Rate Base Application for July to December.

³ Reflects transfers to the Rate Stabilization Account (“RSA”) associated with the Energy Supply Cost Variance account.

⁴ Based on the current wholesale rate.