

1 **Section 4: Rate Base and Revenue Requirement/Rate Base and Rate of Return on Rate**
 2 **Base**

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 4 **Q. Reference: “2025/2026 General Rate Application – Additional Information,”**
 5 **Newfoundland Power Inc., December 13, 2023, sch. A, att. 1.**

6 **Please provide Newfoundland Power’s total anticipated rate increase for July 1,**
 7 **2025 and 2026 including the forecasted Rate Stabilization Account and Municipal**
 8 **Tax Adjustment under each rebasing scenario.**

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 10 A. Given the uncertainties associated with the current wholesale rate as well as the Rate
 11 Stabilization Plan adjustments from Hydro, Newfoundland Power is unable to provide
 12 July 1st rate adjustments for July 1, 2025 and July 1, 2026 rate impacts.

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 14 The analysis in Table 1 provides the *pro forma* customer rate impacts for July 1, 2025
 15 and 2026 associated with the rebasing scenarios referred to in this Request for
 16 Information.

Table 1:
***Pro forma* Customer Rate Impacts**

	Base Rates	July 1st Rate Adjustment¹
Scenario A – No Rebasing		
July 1, 2025	5.5%	0.4% ²
July 1, 2026	-	0.4% ³
Scenario B – Rebasing		
July 1, 2025	9.8%	0.4% ²
July 1, 2026	-	(1.4%) ⁴

¹ For the purpose of estimating the customer rate impacts, the 2026 proposed customer billings have been used, adjusted for the *pro forma* movements in the Energy Supply Cost Variance account.

² Movement in Energy Supply Cost Variance balance from 2023 to 2024 of \$3.9 million / customer billings of \$881.3 million = 0.4%.

³ Movement in Energy Supply Cost Variance balance from 2024 to 2025 of \$3.8 million / customer billings of \$885.2 million = 0.4%.

⁴ Movement in Energy Supply Cost Variance balance from 2024 to 2025 of (\$12.0) million / customer billings of \$885.2 million = (1.4%). The adjustments to the Energy Supply Cost Variance balance from January 1 to June 30 will be incorporated into the July 1, 2026 rate adjustment. Assuming no variance in energy purchases, the Energy Supply Cost Variance balance would go to zero by December 31, 2026 which would result in a further decrease on July 1, 2027 of (\$24.4) million / existing customer billings of \$873.2 million = (2.8%).