

SECTION 4: RATE BASE AND REVENUE REQUIREMENT**Q. Reference: NLH-NP-081**

In the response to NLH-NP-081, Newfoundland Power indicated that their rate increase would be 9.5% if their purchased power costs were rebased and new elasticity impacts were incorporated. This is a 0.3% decrease from the 9.8% originally presented in Scenario B, when the rebased revenue requirement contained elasticity impacts relating to a 5.5% rate increase.

a) Please confirm that if Newfoundland Power's costs were to be rebased and it needed to propose a higher rate increase, Newfoundland Power would not ask for additional revenue in their elasticity adjustment beyond the amounts provided in Exhibit 9 of the 2025/2026 General Rate Application.

b) If Newfoundland Power is unable to confirm, then how much additional revenue would Newfoundland Power request to add to their revenue elasticity adjustment?

A. a) It is not confirmed. If the Board determined in its order on Newfoundland Power's *2025/2026 General Rate Application* that power supply energy costs should be rebased, the Company would consider all changes to its proposed 2025 and 2026 revenue requirements, including price elasticity impacts.

The response to Request for Information NLH-NP-081, Attachment A, demonstrates that if the Company's costs were to be rebased, the price elasticity on revenue would increase from \$5.585 million as shown in Exhibit 9 of the *2025/2026 General Rate Application* to an estimated \$9.651 million as shown in Scenario B.

b) See part a).