

1 **Q. Further to the response to PUB-NP-004 c), Newfoundland Power states that it would**
2 **be reasonable to rebase power supply energy costs based on the current wholesale**
3 **rate if the current wholesale rate remains in place until December 31, 2026. Does**
4 **Newfoundland Power also agree that it would be reasonable to rebase power supply**
5 **energy costs if the current wholesale rate remains in effect for all of or a significant**
6 **part of 2025?**

7
8 A. Newfoundland Power has not rebased its forecast power supply energy costs into base
9 rate 2025 and 2026 revenue requirements due to uncertainty in the implementation date
10 of a new wholesale rate, which is anticipated to reflect a material change in marginal
11 energy costs.

12
13 As stated in the response to Request for Information PUB-NP-004, if the Company had
14 certainty that the current wholesale rate would remain in place until December 31, 2026,
15 then it would be reasonable to rebase power supply energy costs based on the current
16 wholesale rate as part of the Company's *2025/2026 General Rate Application*.

17
18 In Newfoundland Power's view, if it is feasible to revise the wholesale rate in advance of
19 Hydro's next general rate application ("GRA"), then implementation of a new wholesale
20 rate by January 1, 2025 is a reasonable expectation.

21
22 If it is not feasible to revise the wholesale rate in advance of Hydro's next GRA, this
23 would result in the current wholesale rate remaining in effect through 2025 and likely
24 beyond January 1, 2026.¹ In this scenario, it would be reasonable to rebase power supply
25 energy costs based on the current wholesale rate as part of the Company's *2025/2026*
26 *General Rate Application*.

27
28 See the response to Request for Information PUB-NP-132 for further information on the
29 potential implementation of a new wholesale rate by January 1, 2025.

¹ Hydro's GRA process is likely to be ongoing beyond January 1, 2026.