

1 **Q. Please explain in detail how uncertainty in the 2016 wholesale rate creates financial**  
2 **uncertainty for Newfoundland Power.**

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4 A. Newfoundland Power's evidence states:

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6 "It is expected that the cost of wholesale electricity supply to  
7 Newfoundland Power by Hydro will change as a result of the amended  
8 Hydro GRA. The degree of the change will be uncertain until the Board  
9 fully considers the matter and renders an Order.

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11 It is unlikely that a Newfoundland Power GRA filed by June 1, 2015  
12 would be concluded prior to sometime in 2016, likely late in 2016. This  
13 degree of regulatory lag would be extraordinary for a Newfoundland  
14 Power GRA. It would also tend to increase the overall cost of a  
15 Newfoundland Power GRA.

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17 The combination of (i) the currently uncertain wholesale supply cost  
18 outlook for Newfoundland Power, (ii) the current scheduling for the  
19 amended Hydro GRA, and (iii) practical regulatory efficiency indicate that  
20 the requirement in Order No. P.U. 13 (2013) that Newfoundland Power  
21 file its next GRA by June 1, 2015, be re-examined by the Board."<sup>1</sup>

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23 The evidence filed by Newfoundland Power in support of the Application has not stated  
24 that "...uncertainty in the 2016 wholesale rate creates financial uncertainty for  
25 Newfoundland Power." as this Request for Information indicates.

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<sup>1</sup> See the evidence filed in support of the Application, page 2, line 25 to page 3, line 9.