

1 Q. (Reference response to NP-NLH-165) Is it accurate to say that Table 1 reflects
2 Hydro's best forecast of rate increases from July 2017 through January 2019? Please
3 confirm that from July 2017 through January 2018, Newfoundland Power is forecast
4 to receive a cumulative rate increase of 50.8% and the Island Industrial Customers
5 are forecast to receive a cumulative rate increase of 20.3%. Please provide the
6 same table with an additional column showing the forecast rate increase for
7 January 2021 following commissioning of Muskrat Falls when Island Interconnected
8 System average rates are expected to increase to 22.89 cents/kWh (plus HST).

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11 A. Please refer to Hydro's responses to the above noted questions.

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13 *Is it accurate to say that Table 1 reflects Hydro's best forecast of rate increases from*
14 *July 2017 through January 2019?*

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16 As noted in Hydro's response to NP-NLH-165, footnote 1, forecast rate impacts as a
17 result of the recent change in No. 6 fuel are not available given the material
18 uncertainty regarding customer impacts. As such, Hydro has not included the
19 requested total column, as the cumulative impact of the requested information is
20 not yet known.

21

22 *Please confirm that from July 2017 through January 2018, Newfoundland Power is*
23 *forecast to receive a cumulative rate increase of 50.8% and the Island Industrial*
24 *Customers are forecast to receive a cumulative rate increase of 20.3%.*

25

26 As stated above, Hydro is not able to accurately forecast all rate impacts between
27 July 2017 and January 2019 due to the uncertainty of the required Rate Stabilization

1 Plan (RSP) rate changes. The 50.8% cumulative wholesale rate change calculated
2 from the data provided in Table 1 represents an estimated 32.7% cumulative
3 average retail rate change. The 20.3% calculated for Island Industrial Customers
4 reflects the cumulative increase of the percentage changes provided in Table 1 of
5 Hydro's response to NP-NLH-165.

6
7 *Please provide the same table with an additional column showing the forecast rate*
8 *increase for January 2021 following commissioning of Muskrat Falls when Island*
9 *Interconnected System average rates are expected to increase to 22.89 cents/kWh*
10 *(plus HST).*

11
12 To expand Table 1 in Hydro's response to NP-NLH-165 to provide the rate increases
13 by class to reflect the commissioning of the Muskrat Falls Project would require the
14 completion of a cost of service study reflecting the inclusion of Muskrat Falls Project
15 costs. The cost of service methodology review hearing to permit the required
16 analysis is planned for 2018. Therefore, Hydro cannot provide the information
17 requested.