

1 Q. Further to PUB-Nalcor-034, please provide the impact each year on the forecast  
2 domestic electricity rates provided in the response to PUB-Nalcor-029 if the net  
3 export revenues forecast for that year are applied to reduce the forecast electricity  
4 rates.

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7 A. The impact of applying the MFC portion of the net export revenues forecast  
8 provided in Nalcor's response to PUB-Nalcor-034 to the forecast domestic  
9 electricity rates presented in PUB-Nalcor-029 is provided in Table 1 below. The  
10 impact on rates has been presented starting in 2021 as it is the first full year of in-  
11 service.

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13 Although Nalcor's response to PUB-Nalcor-034 includes the net export revenues for  
14 all export energy, only that portion to which MFC is entitled should be considered  
15 for this response. Any exports related to Schedule 2 energy and Recall energy that is  
16 in excess of the domestic needs of Hydro are directly reflected in electricity rates on  
17 a current basis through a reduction of the power purchases factored into the  
18 unmitigated rates. Because of this, the MFC exports would be the only remaining  
19 export value to apply to the forecast electricity rates.

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21 The forecast domestic electricity rate is assumed to refer to the Island  
22 Interconnected domestic electricity rate for a residential customer.

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24 The estimated rate impact is determined based on the assumption that  
25 approximately \$66M of rate mitigation applied to Hydro's revenue requirement will  
26 result in a 1¢/KWh impact on the forecast domestic electricity rates (pre HST).

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- 1 For further context regarding the general methodology and approach to rate
- 2 mitigation analyses prepared by Nalcor, please refer to Nalcor's response to PUB-
- 3 Nalcor-031.

**Table 1**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
Forecast Unmitigated Domestic Electricity Rate (¢/KWh)	21.0	21.1	21.5	21.9	22.5	22.7	22.9	23.5	23.8	24.2	25.0	25.3	25.7	26.3	26.7	27.2	28.2	29.0	29.7
MF Export Dividends (\$millions)	41.0	42.6	38.4	36.9	38.6	43.4	43.2	46.5	47.4	46.1	41.4	40.7	38.1	36.1	33.8	32.7	29.3	26.1	23.0
<b>Rate Impact (¢/KWh)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.3)</b>
Adjusted Rate (¢/KWh)	20.4	20.5	20.9	21.4	22.0	22.0	22.3	22.8	23.1	23.5	24.4	24.7	25.1	25.7	26.1	26.7	27.7	28.6	29.3

*Amounts may not add due to rounding.*