

1 Q. In response to PUB-NLH-017, Hydro explained that it believes it would be appropriate, to the
2 extent reasonable, to be flexible on the timing of the RSP rate updates to limit the number of
3 rate changes in 2022 so that rates do not change several times in a single year for each class of
4 customers. Please indicate what other rate changes, besides the RSP rates, Hydro is referring to
5 in this response.

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8 A. In Newfoundland and Labrador Hydro's ("Hydro") response to PUB-NLH-017, Hydro was
9 referring to three potential rate changes for retail customers in 2022. These include: (i) the
10 general rate application of Newfoundland Power (proposed for implementation in March 2022),
11 (ii) the required Rate Stabilization Plan ("RSP") and conservation and demand management
12 update planned for July 2022, and (iii) a rate change to begin recovery of the costs of the
13 Muskrat Falls Project (i.e., given that the information provided by government indicated the
14 average domestic rate is targeted at 14.7 cents per kWh in 2022 and the existing average rate is
15 approximately 13.4 cents per kWh, Hydro anticipates rates will be required to increase in 2022).
16 While the timing of a rate increase to begin recovery of Muskrat Falls Project costs is unknown
17 at this time, implementation could be required as early as January 1, 2022.

18 For Island Industrial customers, Hydro was referring to both the RSP update and the potential
19 for a rate change to recover the costs of the Muskrat Falls Project.