

1 Q. **Reference: Application**

2 How do residential rates for customers on the Island Interconnected system compare to other
3 major cities in Canada? Is there relevance in comparing rates to all other Canadian provinces, or
4 should NL rates be compared only to those provinces where hydropower provides the bulk of
5 electricity to customers, namely, BC, Manitoba and Quebec? If such a comparison is made,
6 where would residential rates in NL stand?

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9 A. Table 1 provides a comparison of average unit costs¹ for residential customers among Canadian
10 provinces. The calculation of the unit cost is based on the total monthly bill (excluding taxes)
11 divided by kWh consumption of 1,264 kWh per month (i.e., the average monthly residential
12 usage for the customers of Newfoundland Power Inc.).

Table 1: Average Unit Costs for Residential Customers

Province	Cents/kWh
Montreal, QC	7.51
Winnipeg, MB	10.05
Vancouver, BC	12.14
Toronto, ON	13.26
St. John's, NL	13.39
Moncton, NB	13.45
Regina, SK	16.67
Halifax, NS	17.07
Charlottetown, PEI	17.26
Calgary, AB	19.30
Average	14.01

13 Hydro believes there is relevance in comparing electricity rates across Canada as it provides an
14 indicator of the affordability of electricity to residential customers of each province.

¹ Calculated as of August 1, 2022.

1 Hydro does not consider it reasonable to compare electricity rates on the Island to only those
2 provinces where hydroelectricity provides the bulk of electricity to customers. For example,
3 electricity rates in Newfoundland and Labrador reflect a material portion of fuel costs consumed
4 at the Holyrood Thermal Generating Station (\$190 million annually, which is equivalent to
5 approximately 3 cents per kWh). As a result, it would not be a like-for-like comparison to only
6 compare residential rates on the Island Interconnected System to the residential rates in British
7 Columbia, Manitoba, and Quebec.