

1 Q. The current basic customer charge is 15.83 and the energy charge is 12.346¢/kWh. Hydro has
 2 been quoted in the press as stating that the current average residential cost (with an average
 3 monthly usage of 1235 kWh) is approximately 13.4¢/kWh and, with the estimated average
 4 increase of 6.9%, Hydro stated the average cost is expected to increase to approximately
 5 14.3¢/kWh.

- 6 a) Where does the figure of 13.4¢/kWh come from?
- 7 b) Where does 14.3¢/kWh come from?
- 8 c) Has Hydro merged the basic customer charge of 15.83 with the energy charge in
 9 providing the 13.4¢/kWh and the 14.3¢/kWh as referenced above?
- 10 d) In its press information, Hydro makes reference to a figure of annual monthly usage of
 11 1235 kWh. On what is that average based? Does that include all electric customers and
 12 those customers who are not all electric?

13

14

15 A. a) The current average residential cost of 13.4 cents per kWh represents the average cost per
 16 kWh of an average monthly bill, including the basic customer charge, energy charge based
 17 on the average monthly use of 1,235 kWh, and early payment discount. An example of the
 18 calculation is provided in Table 1.

**Table 1: Average Residential Rate per kWh
 Average Monthly Usage of 1,235 kWh**

	Customer Bill (\$)
Basic Charge	15.83
Energy Charge (Average use of 1,235 kWh/month x 12.346¢/kWh)	152.47
Discount ((15.83+152.47) x 1.5%)	(2.52)
Total Bill	165.78
 Average Rate per kWh (\$165.78/1,235 kWh)	 13.4

- 1 **b)** The average cost of 14.3 cents per kWh is calculated using the 13.4 cents per kWh current
2 average rate increased by the estimated 6.9% increase end customer rate impact on July 1.
3 The increase of 6.9% includes the estimated rate impact from both Newfoundland Power
4 Inc. (“Newfoundland Power”) and Newfoundland and Labrador Hydro.
- 5 **c)** Please refer to part a) of this response.
- 6 **d)** The average monthly usage of 1,235 kWh is based on Newfoundland Power’s average
7 domestic use for 2021 which includes customers that are all electric and those that are not
8 all electric.