

1 Q. Reference: Application, 2024 Capital Budget Overview, page 35

2 It is stated

3 On a *pro forma* basis, Hydro's 2024 and 2025 total regulated revenue
4 requirement is estimated to increase by approximately \$2.9 million and \$10.7
5 million respectively, as a result of the capital programs and projects proposed
6 for 2024. Such a revenue requirement increase would represent an increase of
7 0.4% and 1.7% in 2024 and 2025 respectively, relative to Hydro's 2019 Test
8 Year.

9 Newfoundland Power indicates that its 2024 capital budget is expected to increase the annual
10 revenue requirement by about \$4 million. What is the combined impact on Island
11 Interconnected System rates if Newfoundland Power and Hydro 2024 capital budgets are both
12 approved as proposed?

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15 A. Newfoundland and Labrador Hydro's ("Hydro") increase in revenue requirement results in an
16 approximate increase of 1.5% in the wholesale rate on the Island Interconnected System. A 1.5%
17 increase in the wholesale rate to Newfoundland Power Inc. ("Newfoundland Power") is
18 estimated to increase end customer rates by 1.1%.¹

19 Hydro is unable to provide the estimated rate impacts based on the increase in revenue
20 requirement expected as a result of Newfoundland Power's "2024 Capital Budget Application"²
21 as that information would more accurately be provided by Newfoundland Power.

¹ End-customer impact estimated as 71% of the wholesale rate impact.

² "2024 Capital Budget Application," Newfoundland Power Inc., June 22, 2023.

<<http://pub.nl.ca/applications/NP2024Capital/app/From%20NP%20-%202024%20Capital%20Budget%20Application%20-%202023-06-22.PDF>>.