

- 1 **Q. (Application Volume 1, Exhibit 5) It is stated “Purchased power expense reflects**  
2 ***Newfoundland & Labrador Hydro's rates approved by the Board effective October 1,***  
3 ***2019 and the Customer, Energy and Demand Forecast dated May 12, 2021.”***
- 4 a) **Is this the “most detailed, complete and current information available” for the**  
5 **2022 and 2023 test years? Please explain.**
- 6 b) **It is noted that the ratings agencies both mention rate shock from Muskrat**  
7 **Falls as a risk. Does NP agree? Please explain how Muskrat Falls risks are**  
8 **reflected in the GRA.**
- 9 c) **Does NP expect the Board to render a Decision on the 2022-2023 GRA when**  
10 **it is not informed by the “most detailed, complete and current information**  
11 ***available” knowing full well that the revenue requirement calculation does***  
12 ***not reflect expected costs?***
- 13
- 14 A. a) Yes, this information, along with rate mitigation indications at the time of  
15 filing, were the most detailed, complete and current information available at the  
16 time of filing the application and form a reasonable basis to forecast power supply  
17 costs for ratemaking purposes. See response to Request for Information  
18 CA-NP-004 and part (b) of response to Request for Information CA-NP-005.
- 19
- 20 b) Yes, the Muskrat Falls Project poses a risk to the least-cost delivery of reliable  
21 service to customers. For a fulsome discussion of how the Muskrat Falls Project  
22 affects the Company’s risk profile, see the *2022/2023 General Rate Application,*  
23 *Volume 1, Application, Company Evidence and Exhibits, Section 3.3.2: Risk*  
24 *Assessment*, pages 3-31 to 3-35.
- 25
- 26 Additionally, risks associated with the Muskrat Falls Project form part of the  
27 expert evidence of Mr. James Coyne of Concentric Energy Advisors Inc., filed  
28 with Newfoundland Power’s application.<sup>1</sup>
- 29
- 30 c) See part (a).

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<sup>1</sup> See, for example, the *2022/2023 General Rate Application, Volume 3, Expert Evidence, Tab 2, Cost of Capital: Mr. James Coyne, Concentric Energy Advisors Inc.*, pages 63 to 68.