

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 1, Exhibit 3.**

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4 **Please provide the proposed rate increase if the forecast RSA transfers are**
5 **excluded.**

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7 A. The proposed base rate change of 0.8% effective March 1, 2022 is based on
8 Newfoundland Power’s 2022 and 2023 test year revenue requirements which reflect the
9 Company’s forecast costs for those years, including power supply and employee future
10 benefit costs.¹ The proposed base rate change does not include Rate Stabilization
11 Account (“RSA”) transfers which would primarily be the result of variances of actual
12 costs compared to test year costs.² In accordance with Newfoundland Power’s *Rate*
13 *Stabilization Clause*, any adjustments associated with the Company’s RSA occur
14 annually on July 1st.³

¹ See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 7: 2022 and 2023 Revenue Requirements*.

² “*Other Transfers to the RSA*” adjustments to the Company’s 2022 and 2023 test year revenue requirements primarily relate to amortizations associated with Electrification and Conservation and Demand Management program costs. In accordance with Newfoundland Power’s *Rate Stabilization Clause*, these costs are fully recovered through the RSA.

³ See Newfoundland Power’s *Rate Stabilization Clause*, effective July 1, 2021.