

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 1, Exhibit 7.**

3
4 **What test year is being used in the development of the revenue requirement for the**
5 **development of proposed customer rates? Please explain.**

6
7 A. Proposed customer rates are based on Newfoundland Power’s 2023 test year revenue
8 requirement.¹

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10 Implementation of the proposed customer rates on March 1, 2022 provides the Company
11 the opportunity to recover its 2022 test year revenue requirement.²

¹ See, for example, the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Exhibit 10: Average Customer Billing Impacts*.

² The forecast revenue requirement for each year reflects a proposed regulatory amortization to recover, over the period March 1, 2022 to December 31, 2024, a \$1,262,000 revenue shortfall for 2022 due to the timing of the March 1st rate change implementation date. See the *2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 3: Finance*, page 3-59, and *Section 4: Rate Base and Revenue Requirement*, page 4-5, Table 4-5.