

1 **Q. Please update the proposals in the 2025/2026 General Rate Application, including**
2 **paragraphs 14-16, to include the Decision in Board Order No. P.U. 20(2024) and the**
3 **proposals in the Application. In the response, provide a revised list of the proposals**
4 **in paragraphs 14-16 to reflect the update proposals in the same format as in the**
5 **2025/2026 General Rate Application.**
6

7 A. Attachment A provides the requested updates to paragraphs 14 to 16 included in the
8 *2025/2026 General Rate Application* (“2025/2026 GRA”) to reflect the Application
9 proposals and Order No. P.U. 20 (2024), as well as Order Nos. P.U. 16 (2024) and
10 P.U. 18 (2024).¹
11

12 Newfoundland Power anticipates filing one combined application in compliance with
13 both the Board order on the Application and on the 2025/2026 GRA (the “Compliance
14 Application”).² The Compliance Application would also incorporate the above-noted
15 Board orders.
16

17 The Compliance Application would provide the final figures for the Company’s 2025 and
18 2026 test year average rate base, rate of return on rate base and revenue requirements, as
19 well as for the 2025 revenue shortfall, for the purposes of proposing base customer rates,
20 effective July 1, 2025.³

¹ Paragraphs 9 to 13 in the 2025/2026 GRA are not impacted by the Application or the above-noted Board orders. Order Nos. P.U. 16 (2024) and P.U. 18 (2024) approved an increase to existing customer rates for an updated Rate Stabilization Adjustment and a Municipal Tax Adjustment factor effective August 1, 2024. These orders update existing customer billings for the purposes of estimating the proposed average increase in customer rates, effective July 1, 2025. These orders would not have a material impact on the 2025 and 2026 test year average rate base, rate of return on rate base and revenue requirements, or the 2025 revenue shortfall, outlined in paragraphs 14 and 15 in Attachment A. On October 15, 2024, the Board issued Order No. P.U. 24 (2024), approving the Company’s application filed in compliance with Order No. P.U. 20 (2024).

² See the *Wholesale Rate Flow-Through Report, 4.0 Regulatory Process* for further information.

³ The Compliance Application would include new figures for paragraphs 14 through 16 in the 2025/2026 GRA.

Updates to 2025/2026 GRA Proposals

**Updates to 2025/2026 GRA Proposals: Paragraphs 14, 15 and 16
(for the Application proposals and Board Order No. P.U. 20 (2024),
as well as Order Nos. P.U. 16 (2024) and P.U. 18 (2024))**

General

14. Newfoundland Power proposes that the Board approve the amortization of a forecast 2025 revenue shortfall of approximately \$39,220,000, for the reasons set out in the evidence filed in support of this Application, the Company’s *Wholesale Rate Flow-Through Application* and as a result of Order No. P.U. 20 (2024), over a 30-month period, commencing July 1, 2025 and ending December 31, 2027.¹

2025/2026 Customer Rates

15. Newfoundland Power proposes that the Board approve an overall average increase in customer rates of 10.6%, with effect from July 1, 2025, based upon:²
- (a) a forecast average rate base for 2025 of \$1,412,358,000 and for 2026 of \$1,461,358,000;³
 - (b) a rate of return on average rate base for 2025 of 7.34% in a range of 7.16% to 7.52% and for 2026 of 7.17% in a range of 6.99% to 7.35%;⁴ and
 - (c) forecast revenue requirements from customer rates for 2025 of \$777,523,000 and for 2026 of \$824,906,000.⁵

¹ Paragraph 14 no longer includes a 2024 revenue shortfall in accordance with Order No. P.U. 20 (2024). The 2025 revenue shortfall of \$39,220,000 is as shown in the response to Request for Information PUB-NP-001 of \$32,486,000, plus \$6,734,000 resulting from lower base rate revenue recovery in 2025 due to the denial of the 1.5% customer rate increase effective July 1, 2024 in Order No. P.U. 20 (2024).

² The calculation of the overall average customer rate increase of 10.6% is provided in the response to Request for Information PUB-NP-004, Attachment C, page 1.

³ The increases in 2025 and 2026 average rate base are primarily the result of the Application proposals, and more specifically, the increase in the 2025 revenue Shortfall as outlined in footnote 1. The impacts of the removal of the 2024 revenue shortfall (addition to rate base) and the Excess Earnings Account balance (deduction to rate base) in accordance with Order No. P.U. 20 (2024) mostly offset each other. A reconciliation of the increases in the 2025 and 2026 average rate base from the 2025/2026 GRA to the above amounts is provided below (in \$000s):

	2025	2026
2025/2026 GRA	1,406,816	1,451,200
Application Proposals	6,218	9,410
Order No. P.U. 20 (2024)	(676)	748
	1,412,358	1,461,358

⁴ The slightly lower rate of return on rate base figures from those outlined in the 2025/2026 GRA are primarily a result of the higher average rate base amounts detailed in footnote 3.

⁵ Changes in the 2025 and 2026 test year revenue requirements from the amounts included in the 2025/2026 GRA are detailed in the response to Request for Information PUB-NP-004, Attachment A, page 3 (2025 test year) and Attachment B, page 3 (2026 test year).

16. Newfoundland Power proposes that the Board approve rates, tolls and charges, as set out in Schedule B to the Application, which result in average increases in proposed customer rates by class as follows:

<i>Rate Class</i>	<i>Average Increase</i>
Domestic	10.7%
General Service 0-100 kW (110 kVA)	10.6%
General Service 110-1000 kVA	10.4%
General Service 1000 kVA and Over	10.2%
Street and Area Lighting ⁶	12.2%

all to be effective for service provided on and after July 1, 2025, as more fully described in the evidence filed in support of the Application and the Company's *Wholesale Rate Flow-Through Application*.

⁶ The Street and Area Lighting class has lower Rate Stabilization Adjustment billings than the other classes of service. As a result, the average base rate increase results in a comparatively higher total customer billing impact for the Street and Area Lighting class when compared to the other classes of service.