Section 3: Finance/Fair Return

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Q. Reference: "2025/2026 General Rate Application," Newfoundland Power Inc., December 12, 2023, vol. 1, Evidence, sec. 3.3.4, p. 3-44, f.n. 113. Footnote 113 states:

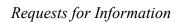
For example, in 2021, the Energy Supply Cost Variance Clause resulted in positive cash flows of approximately \$25.4 million, while cash flows for 2023 are forecast to be negatively impacted by approximately \$32.3 million. This cash flow variance totals \$57.7 million.

Please provide a copy of the calculation of the Energy Supply Cost Variance for 2021 and 2023. Please show the Test Year energy purchases and Actual energy purchases that result in the energy purchases variance in gigawatt-hours.

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14 A. See Attachment A for the requested information.

NLH-NP-06	8
Attachment A	4



Energy Supply Cost Variance Calculations

Newfoundland Power Inc. 2021 Energy Supply Cost Variance Based on October 1, 2019 Purchase Power Rate

Purchase Power Rates:

 $\begin{array}{lll} \text{Demand} & \textbf{\$5.00} \text{ kW} \\ 1^{\text{st}} \text{ Block} & \textbf{24.44} \text{ mills} \\ 2^{\text{nd}} \text{ Block} & \textbf{181.65} \text{ mills} \end{array}$

			Energy Supply C	Cost Variance	
	Normalized	Test Year	2020 Test Year	Wholesale	
	Purchased	Purchase	Unit Energy	2 nd Block	RSA
	Energy	Energy	Cost	Charge	Transfer
	(GWh)	(GWh)	(¢/kWh)	(¢/kWh)	(\$000s)
January	677.8	714.3	7.439	18.165	(3,911)
February	620.3	672.2	7.439	18.165	(5,573)
March	607.5	645.4	7.439	18.165	(4,062)
April	512.6	526.4	7.439	18.165	(1,477)
May	409.5	421.6	7.439	18.165	(1,303)
June	315.3	343.3	7.439	18.165	(3,010)
July	302.0	303.9	7.439	18.165	(200)
August	294.0	299.1	7.439	18.165	(548)
September	302.8	314.0	7.439	18.165	(1,202)
October	388.5	409.7	7.439	18.165	(2,277)
November	497.1	493.2	7.439	18.165	412
December	640.0	661.1	7.439	18.165	(2,263)
Total	5,567.3	5,804.2		18.165	(25,413)

18.165

Newfoundland Power Inc. 2023F Energy Supply Cost Variance Based on October 1, 2019 Purchase Power Rate

Purchase Power Rates:

Total

 Demand
 \$5.00 kW

 1st Block
 24.44 mills

 2nd Block
 181.65 mills

Energy Supply Cost Variance 2023 Test Year Normalized Test Year Wholesale 2nd Block Purchased **Purchase Unit Energy RSA Energy Energy** Cost Charge Transfer (GWh) (GWh) (¢/kWh) (¢/kWh) (\$000s)696.3 January 693.0 6.940 18.165 (369)February 634.0 6.940 18.165 658.3 2,727 March 666.0 628.8 6.940 18.165 4,172 April 521.8 496.7 6.940 18.165 2,811 434.9 399.5 6.940 18.165 3,978 May June 357.5 327.0 6.940 18.165 3,418 309.8 291.8 6.940 18.165 2,015 July August 303.8 287.8 6.940 18.165 1,796 September 310.7 294.2 6.940 18.165 1,853 October 387.8 410.6 6.940 18.165 2,553 November 509.5 482.8 6.940 18.165 2,996 December 18.165 658.2 619.0 6.940 4,400

5,545.9

5,834.1

32,349