

1 **Section 3: Finance/Fair Return**
2

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

5 **Footnote 113 states:**

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

10 **Please provide a copy of the calculation of the Energy Supply Cost Variance for**
11 **2021 and 2023. Please show the Test Year energy purchases and Actual energy**
12 **purchases that result in the energy purchases variance in gigawatt-hours.**

13
14 **A. See Attachment A for the requested information.**

Energy Supply Cost Variance Calculations

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

Purchase Power Rates:

Demand **\$5.00** kW
 1st Block **24.44** mills
 2nd Block **181.65** mills

| | Normalized Purchased Energy (GWh) | Energy Supply Cost Variance | | | RSA Transfer (\$000s) |
|--------------|--|--|--|---|-----------------------------|
| | | Test Year Purchase Energy (GWh) | 2020 Test Year Unit Energy Cost (¢/kWh) | Wholesale 2 nd Block Charge (¢/kWh) | |
| 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) |

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

Purchase Power Rates:

| | |
|-----------------------|--------------|
| Demand | \$5.00 kW |
| 1 st Block | 24.44 mills |
| 2 nd Block | 181.65 mills |

| | Energy Supply Cost Variance | | | | |
|--------------|--|--|--|--|--------------------------------------|
| | Normalized Purchased Energy (GWh) | Test Year Purchase Energy (GWh) | 2023 Test Year Unit Energy Cost (¢/kWh) | Wholesale 2nd Block Charge (¢/kWh) | RSA Transfer (\$000s) |
| January | 693.0 | 696.3 | 6.940 | 18.165 | (369) |
| February | 658.3 | 634.0 | 6.940 | 18.165 | 2,727 |
| March | 666.0 | 628.8 | 6.940 | 18.165 | 4,172 |
| April | 521.8 | 496.7 | 6.940 | 18.165 | 2,811 |
| May | 434.9 | 399.5 | 6.940 | 18.165 | 3,978 |
| June | 357.5 | 327.0 | 6.940 | 18.165 | 3,418 |
| July | 309.8 | 291.8 | 6.940 | 18.165 | 2,015 |
| August | 303.8 | 287.8 | 6.940 | 18.165 | 1,796 |
| September | 310.7 | 294.2 | 6.940 | 18.165 | 1,853 |
| October | 410.6 | 387.8 | 6.940 | 18.165 | 2,553 |
| November | 509.5 | 482.8 | 6.940 | 18.165 | 2,996 |
| December | 658.2 | 619.0 | 6.940 | 18.165 | 4,400 |
| Total | 5,834.1 | 5,545.9 | | 18.165 | 32,349 |