

1 Q. Please provide a table showing the amount of revenue requirement for rate
2 mitigation required for each year from 2021 to 2030 using separate scenarios for
3 current domestic rates, and domestic rates at 16 cents to 18 cents per kWh in 2021
4 escalating at 2.25% per year until 2030. Include any underlying assumptions used.

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7 A. Table 1 below provides the estimated amount of rate mitigation required to achieve
8 forecast domestic electricity rates based on the current 2019 rate estimate, and a
9 16¢ to 18¢ per kWh (pre HST) at 2021, of which they would all escalate at 2.25%
10 per year until 2030.

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12 The current forecast for the 2019 domestic electricity rate is 12.9¢/kWh and is
13 based on the forecast as of the October 2018 Nalcor forecast.

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15 Table 1 also provides the amount of rate mitigation required to achieve the rates
16 that underpinned the load forecast used in the October 2018 forecast, namely a
17 phased in 17¢ (pre HST) by 2023.

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19 The targeted rates referenced in the question are assumed to refer to forecast
20 Island Interconnected domestic electricity rates for a residential customer.

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22 The estimated amount of rate mitigation required is determined based on the
23 assumption that approximately \$66 million of rate mitigation applied to Hydro's
24 revenue requirement will result in a 1¢/kWh impact on the forecast domestic
25 electricity rates (pre HST).

- 1 For further context regarding the general methodology and approach to rate
- 2 mitigation analyses prepared by Nalcor, please refer to Nalcor's response to PUB-
- 3 Nalcor-031.

Table 1

\$millions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
18¢/KWh	201.2	180.3	177.4	177.1	189.2	170.4	155.3	159.9	150.5	146.5
17¢/KWh	267.2	247.8	246.4	247.7	261.3	244.2	230.7	237.0	229.3	227.1
16¢/KWh	333.2	315.3	315.4	318.3	333.5	318.0	306.2	314.2	308.2	307.8
Load Forecast (17¢ by '23)	382.5	330.7	297.5	302.8	320.6	307.7	298.6	309.5	306.6	309.3
Current (12.9¢/KWh)	496.1	481.9	485.8	492.4	511.6	500.1	492.4	504.6	502.9	506.9