

1 Q. Please confirm the NP rate set out in IC-NLH-079 would better align second block
2 energy costs with Holyrood costs than the rate proposed by Hydro in this GRA.

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5 A. See Section 4.5 of the Evidence to the Amended Application for details on the basis
6 of the proposed wholesale rate to Newfoundland Power.

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8 It is confirmed that the NP second block rate of 124.0 mills/kWh set out in IC-NLH-
9 079 and CA-NLH-026 would align second block energy costs somewhat closer to the
10 Holyrood 2015 Test Year fuel costs (153.7 mills/kWh) than the energy rate (116.22
11 mills/kWh) proposed by Hydro. However, it should be noted that the demand rate
12 (\$4.00/kW/month) in that scenario would be materially lower than the
13 approximately \$6.00/kW/month estimated marginal capacity cost for the period
14 2015-17 and less than half of the cost of demand for NP (\$10.18/kW/month).