Q. **Reference: Application, Chapter 2, page 2.19**

Hydro states "Export profits generated by Hydro are used to benefit customers either directly by offsetting Hydro's supply costs or through the funding of rate mitigation." Identify export profits and the amounts allocated to each customer class in the 2027 Test Year.

A. The 2027 Test Year includes approximately $40.2 million of Net Export Revenue as a credit within "Other Adjustments" in Newfoundland and Labrador Hydro's ("Hydro") regulated revenue requirement. This amount reduces the revenue requirement that would otherwise be recovered from customers. Hydro's evidence identifies Net Export Revenue as the primary driver of the change in Other Adjustments between the 2019 Test Year and the 2027 Test Year.

Accordingly, the customer-class benefit associated with Net Export Revenue is the reduction in the revenue requirement allocated through the Cost of Service Study.

Table 1 summarizes the export profits allocated to each customer class in the 2027 Test Year.

Table 1: Net Export Revenue Cost of Service Allocation ($)

Customer Class	Net Export Revenue
Newfoundland Power Inc.	34,865,605
Island Industrial	2,743,007
Rural Island Interconnected	2,569,981
Total	**40,178,593**