

Q. **Reference: Cost of Service Methodology Application (August 22, 2025), page 97; Technical Conference Presentation (October 14, 2025), page 44**

Recalculate the proposed NP hydraulic generation credit using

a) a 10-year historical window (2015-2024) and

b) a rolling 5-year window for each start year from 2015 through 2020, in each case using the same "maximize event" measurement basis as the filed 64,000 kW proposal, and report the resulting kW figure for each window together with the standard deviation of the annual observations within each window. Also explain the basis for selecting the specific 2020-2024 window used in the filed proposal, including whether any earlier years were examined and excluded and, if so, on what criteria, given Hydro's statement at the technical conference that it "did not find a reason to exclude any years."

A. a) The proposed Newfoundland Power Inc. ("Newfoundland Power") hydraulic generation credit was recalculated using a ten-year historical window (2015 to 2024) and was determined to be 60 MW, as shown in Table 1.

Table 1: Summary of Newfoundland Power Hydraulic Generation during System Highest Average Hourly Demand (MW)

Year	Island Interconnected System Peak Demand	Newfoundland Power Hydraulic Generation
2015	1,688	55
2016	1,664	58
2017	1,688	62
2018	1,624	50
2019	1,777	55
2020	1,641	66
2021	1,518	60
2022	1,614	71
2023	1,770	76
2024	1,728	48
Average		60

b) The proposed Newfoundland Power hydraulic generation credit was recalculated using a rolling five-year window for each start year from 2015 through 2020, using the same "maximize event" measurement basis as the filed 64 MW proposal.

The resulting hydraulic generation credit and standard deviation of the annual observations within each rolling 5-year window are presented in Table 2.

Table 2: NP Hydraulic Generation Credit Using Rolling Five-Year Windows (MW)

Rolling Five-Year Window	Annual Generation Credit Values	Generation Credit	Standard Deviation ¹
2015–2019	55, 58, 62, 50, 55	56.0	4.4
2016–2020	58, 62, 50, 55, 66	58.2	6.2
2017–2021	62, 50, 55, 66, 60	58.6	6.2
2018–2022	50, 55, 66, 60, 71	60.3	8.3
2019–2023	55, 66, 60, 71, 76	65.5	8.4
2020–2024	66, 60, 71, 76, 48	64.2	10.7

A five-year averaging period was considered appropriate because it provides a sufficient range of historical observations while maintaining a focus on current operating conditions. In assessing an appropriate averaging period, Newfoundland and Labrador Hydro ("Hydro") examined historical data back to 2015 and determined that the most recent five-year period was the most representative window for establishing a generation credit. Accordingly, the 2020–2024 period was selected because it represented the most recent five years of complete data available at the time the analysis supporting the Cost-of-Service Methodology was filed.

Hydro's statement at the Technical Conference that it "***did not find a reason to exclude any years from the five-year average generation credit at peak***" [emphasis added] referred to its assessment of the annual observations used in the generation credit analysis. Hydro reviewed factors including Newfoundland Power's available hydro reserve, frequency of Hydro requests to Newfoundland Power to maximize hydro generation, and generation performance during peak periods to determine whether any year should be treated as an outlier or otherwise

¹ Standard deviations are calculated using the sample standard deviation of the annual observations within each rolling 5-year window.

1 excluded from the calculation. Based on this review, Hydro did not identify any year that
2 warranted exclusion. Details of this analysis can be found in the Cost-of-Service Methodology
3 Technical Conference presentation.² Accordingly, the selection of the 2020–2024 period reflects
4 the use of the most appropriate and current five-year dataset.

² “Cost of Service Methodology – Technical Conference,” Newfoundland and Labrador Hydro, October 14, 2025.
<http://www.pub.nl.ca/applications/NLH2025CostOfServiceMethodology/correspondence/NLH%20-%20Cost%20of%20Service%20Methodology%20-%20Technical%20%20Conference%20Presentation%20-%202025-10-14.PDF>