Q. **Reference: Chapter 6, Section 6.6.3 and Table 6-4**

a) Provide the calculation supporting each proposed quarterly First Block quantity, including the forecast Newfoundland Power energy purchases, demand revenues, First Block revenues, Second Block revenues and total revenues by month and quarter.

b) Show the proportion of Newfoundland Power's annual power-purchase expense and Hydro's annual revenue from Newfoundland Power forecast to be recognized in each quarter under: i) the existing block quantities; and ii) the proposed block quantities.

c) Explain the principal factors resulting in the proposed reduction in the monthly First Block quantity for January through March from 590 GWh to 340 GWh.

d) Provide the forecast quantity and percentage of Newfoundland Power's monthly purchases billed in the First and Second Blocks for each month of the 2027 Test Year.

A. **a)** Please refer to CA-NLH-164, Attachment 1.

b) Please refer to CA-NLH-164, Attachment 2.

c) The principal factor resulting in the proposed reduction in the monthly First Block quantity for January through March from 590 GWh to 340 GWh is Newfoundland and Labrador Hydro's ("Hydro") recalibration of the Newfoundland Power Inc's ("Newfoundland Power") wholesale quarterly block structure to reflect the 2027 Test Year cost and revenue profile. Hydro implemented a new quarterly blocking structure in the wholesale rate charged to Newfoundland Power effective January 1, 2025. In this General Rate Application, Hydro is proposing to revise that existing block structure so that approximately the same proportion of Hydro's revenue, corresponding to Newfoundland Power's power purchase costs, is reflected in each quarter based on 2027 Test Year costs.

d) Please refer to CA-NLH-164, Attachment 1.

Newfoundland Power - Revenue Calculation (2027TY)

Description		2027 Total	Jan 2027	Feb 2027	Mar 2027	Apr 2027	May 2027	Jun 2027	Jul 2027	Aug 2027	Sep 2027	Oct 2027	Nov 2027	Dec 2027	Q1 2027	Q2 2027	Q3 2027	Q4 2027
			1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
Demand	kW	**16,860,014**	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	1,405,001	4,215,004	4,215,004	4,215,004	4,215,004
Demand Rate	$/kW		$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	$5.50	5.50	5.50	5.50	5.50
Demand Charge	**$**	**92,730,079**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**7,727,507**	**23,182,520**	**23,182,520**	**23,182,520**	**23,182,520**
Total Energy Consumption	**kWh**	**6,014,582,000**	**766,305,915**	**700,798,706**	**689,119,433**	**531,348,942**	**415,832,403**	**347,124,508**	**313,450,423**	**312,212,800**	**318,656,728**	**417,449,389**	**521,880,579**	**680,402,174**	**2,156,224,054**	**1,294,305,854**	**944,319,951**	**1,619,732,142**
2nd Block Energy	kWh	**3,014,582,000**	426,305,915	360,798,706	349,119,433	271,348,942	155,832,403	87,124,508	183,450,423	182,212,800	188,656,728	147,449,389	251,880,579	410,402,174	1,136,224,054	514,305,854	554,319,951	809,732,142
2nd Block Rate	$/kWh		0.08958	0.08958	0.08958	0.03480	0.03480	0.03480	0.03480	0.03480	0.03480	0.03480	0.03480	0.08958	0.08958	0.03480	0.03480	0.06256
2nd Block Charge	$	**189,631,638**	38,188,484	32,320,348	31,274,119	9,442,943	5,422,968	3,031,933	6,384,075	6,341,005	6,565,254	5,131,239	8,765,444	36,763,827	101,782,951	17,897,844	19,290,334	50,660,510
1st Block Energy	kWh	**3,000,000,000**	340,000,000	340,000,000	340,000,000	260,000,000	260,000,000	260,000,000	130,000,000	130,000,000	130,000,000	270,000,000	270,000,000	270,000,000	1,020,000,000	780,000,000	390,000,000	810,000,000
1st Block Rate	$/kWh		0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815	0.11815
1st Block Charge	$	**354,450,000**	40,171,000	40,171,000	40,171,000	30,719,000	30,719,000	30,719,000	15,359,500	15,359,500	15,359,500	31,900,500	31,900,500	31,900,500	120,513,000	92,157,000	46,078,500	95,701,500
Demand	$	**92,730,079**	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	7,727,507	23,182,520	23,182,520	23,182,520	23,182,520
1st Block Energy	$	**354,450,000**	40,171,000	40,171,000	40,171,000	30,719,000	30,719,000	30,719,000	15,359,500	15,359,500	15,359,500	31,900,500	31,900,500	31,900,500	120,513,000	92,157,000	46,078,500	95,701,500
2nd Block Energy	$	**189,631,638**	38,188,484	32,320,348	31,274,119	9,442,943	5,422,968	3,031,933	6,384,075	6,341,005	6,565,254	5,131,239	8,765,444	36,763,827	101,782,951	17,897,844	19,290,334	50,660,510
Total	**$**	**636,811,717**	**86,086,990**	**80,218,855**	**79,172,625**	**47,889,450**	**43,869,474**	**41,478,439**	**29,471,081**	**29,428,012**	**29,652,261**	**44,759,245**	**48,393,451**	**76,391,833**	**245,478,470**	**133,237,363**	**88,551,354**	**169,544,529**
		First Block %	44.37%	48.52%	49.34%	48.93%	62.53%	74.90%	41.47%	41.64%	40.80%	64.68%	51.74%	39.68%				
		Second Block %	55.63%	51.48%	50.66%	51.07%	37.47%	25.10%	58.53%	58.36%	59.20%	35.32%	48.26%	60.32%				

Rev. Requirement	**$**	**636,811,717**
Demand Charge	$	(92,730,079)
2nd Block Rate (Winter)	$	(138,546,777)
2nd Block Rate (Summer)	$	(51,084,861)
1st Block Revenue	**$**	**354,450,000**
1st Block Energy	kWh	3,000,000,000
1st Block Rate	**$/kWh**	**0.11815**
1st Block Rate	¢/kWh	11.815

Second Block (Winter)	$/kWh	0.08958
Second Block (Non-Winter)	$/kWh	0.03480

Newfoundland Power - Revenue Calculation (2027TY)

Description		Proposed Blocking Structure Q1 2027	Proposed Q2 2027	Proposed Q3 2027	Proposed Q4 2027	Proposed TOTAL	Existing Blocking Structure Q1 2027	Existing Q2 2027	Existing Q3 2027	Existing Q4 2027	Existing TOTAL	Variance - Blocking Structure Q1 2027	Variance Q2 2027	Variance Q3 2027	Variance Q4 2027	Variance TOTAL
Demand	kW	4,215,004	4,215,004	4,215,004	4,215,004	**16,860,014**	4,215,004	4,215,004	4,215,004	4,215,004	**16,860,014**	-	-	-	-	**-**
Demand Rate	$/kW	5.50	5.50	5.50	5.50		5.50	5.50	5.50	5.50						
Demand Charge	**$**	**23,182,520**	**23,182,520**	**23,182,520**	**23,182,520**	92,730,079	**23,182,520**	**23,182,520**	**23,182,520**	**23,182,520**	92,730,079	**-**	**-**	**-**	**-**	**-**
												-	-	-	-	
Total Energy Consumption	**kWh**	**2,156,224,054**	**1,294,305,854**	**944,319,951**	**1,619,732,142**	6,014,582,000	**2,156,224,054**	**1,294,305,854**	**944,319,951**	**1,619,732,142**	6,014,582,000	**-**	**-**	**-**	**-**	**-**
												-	-	-	-	
2nd Block Energy	kWh	1,136,224,054	514,305,854	554,319,951	809,732,142	**3,014,582,000**	386,224,054	424,305,854	554,319,951	869,732,142	**2,234,582,000**	750,000,000	90,000,000	-	(60,000,000)	**780,000,000**
2nd Block Rate	$/kWh	0.08958	0.03480	0.03480	0.06256		0.08958	0.03480	0.03480	0.06191		-	-	-	0.0007	
2nd Block Charge	$	101,782,951	17,897,844	19,290,334	50,660,510	**189,631,638**	34,597,951	14,765,844	19,290,334	53,844,110	**122,498,238**	67,185,000	3,132,000	-	(3,183,600)	**67,133,400**
1st Block Energy	kWh	1,020,000,000	780,000,000	390,000,000	810,000,000	**3,000,000,000**	1,770,000,000	870,000,000	390,000,000	750,000,000	**3,780,000,000**	(750,000,000)	(90,000,000)	-	60,000,000	**(780,000,000)**
1st Block Rate	$/kWh	0.11815	0.11815	0.11815	0.11815		0.11153	0.11153	0.11153	0.11153		0.0066	0.0066	0.0066	0.0066	
1st Block Charge	$	120,513,000	92,157,000	46,078,500	95,701,500	**354,450,000**	197,408,100	97,031,100	43,496,700	83,647,500	**421,583,400**	(76,895,100)	(4,874,100)	2,581,800	12,054,000	**(67,133,400)**
Demand	$	23,182,520	23,182,520	23,182,520	23,182,520	**92,730,079**	23,182,520	23,182,520	23,182,520	23,182,520	**92,730,079**	-	-	-	-	**-**
1st Block Energy	$	120,513,000	92,157,000	46,078,500	95,701,500	**354,450,000**	197,408,100	97,031,100	43,496,700	83,647,500	**421,583,400**	(76,895,100)	(4,874,100)	2,581,800	12,054,000	**(67,133,400)**
2nd Block Energy	$	101,782,951	17,897,844	19,290,334	50,660,510	**189,631,638**	34,597,951	14,765,844	19,290,334	53,844,110	**122,498,238**	67,185,000	3,132,000	-	(3,183,600)	**67,133,400**
TOTAL	**$**	**245,478,470**	**133,237,363**	**88,551,354**	**169,544,529**	**636,811,717**	**255,188,570**	**134,979,463**	**85,969,554**	**160,674,129**	**636,811,717**	**(9,710,100)**	**(1,742,100)**	**2,581,800**	**8,870,400**	-