Q. **Reference: Chapter 6, Section 6.6.4 and Table 6-6**

a) Provide the complete calculation of the proposed First Block Energy rate of 11.815 cents per kWh.

b) Identify the amount of Newfoundland Power's 2027 Test Year revenue requirement recovered through: i) the demand charge; ii) the First Block Energy charge; iii) the winter Second Block Energy charge; and iv) the non-winter Second Block Energy charge.

c) For the revenue recovered through the First Block Energy charge, identify the amounts associated with demand-related costs, energy-related costs, the Rural Deficit and any other material cost categories.

d) Explain the principal drivers of the increase in the First Block Energy rate from 8.515 cents per kWh to 11.815 cents per kWh.

A. **a)** Please refer to Attachment 1 of Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-164 of this proceeding.

b) Please refer to Attachment 1 of Hydro's response to CA-NLH-164 of this proceeding.

c) The proposed First Block Energy charge is designed as the residual revenue-recovery component of Newfoundland Power Inc's ("Newfoundland Power") wholesale rate. That is, the First Block Energy revenue is calculated as Newfoundland Power's total 2027 Test Year revenue requirement, less the revenue forecast to be recovered through the demand charge and the winter and non-winter Second Block Energy charges.

Please refer to CA-NLH-165, Attachment 1 for a breakdown of the first block rate.

d) Please refer to part c).

Breakdown of Newfoundland Power Revenue Requirement - First Block Rate

From Cost of Service Study ($)	Revenue Requirement	Demand Costs	Energy Costs	Specifically Assigned	Cost of Service (Before Deficit)	Rural Deficit	Revenue Requirement	Source
Production Demand	276,443,689	276,443,689			276,443,689		276,443,689	Schedule 3.2A , column 3, line 66
Transmission Demand	67,575,046	67,575,046			67,575,046		67,575,046	Schedule 3.2A , column 5, line 66
Production Energy	227,274,935		227,274,935		227,274,935		227,274,935	Schedule 3.2A , column 4, line 66
Specifically Assigned	2,743,343			2,743,343	2,743,343		2,743,343	Schedule 3.2A , column 18, line 66
Rural Deficit	62,778,788				-	62,778,788	62,778,788	Schedule 1.2 , column 5, line 1
Total	**636,815,801**	**344,018,735**	**227,274,935**	**2,743,343**	**574,037,014**	**62,778,788**	**636,815,801**	

Breakdown of First Block Energy Rates

$	Revenue Requirement	Demand Costs	Energy Costs	Specifically Assigned	Cost of Service (Before Deficit)	Rural Deficit	Revenue Requirement
Demand Rate	92,730,079	92,730,079			92,730,079		92,730,079
Second Block Energy (winter)	138,546,777		138,546,777		138,546,777		138,546,777
Second Block Energy (non-winter)	51,084,861		51,084,861		51,084,861		51,084,861
First Block Energy	354,454,084	251,288,656	37,643,297	2,743,343	291,675,296	62,778,788	354,454,084
	636,815,801	**344,018,735**	**227,274,935**	**2,743,343**	**574,037,014**	**62,778,788**	**636,815,801**