

Q. **Reference: CA-NLH-001; CA-NLH-117; Schedule F**

Please provide a table showing, for Island Industrial RCCs of 0.95, 1.00 and 1.05, the resulting Island Industrial annual revenue, average percentage rate change and corresponding change in revenue to be recovered from Newfoundland Power and Rural Island Interconnected customers, holding Hydro's total revenue requirement, Cost of Service allocation and total rate mitigation funding constant. As part of the response, please explain how the resulting Island Industrial revenue difference is apportioned between the remaining classes.

A. Table 1 provides Island Industrial Customer revenue targeting a revenue to cost coverage ratio of 0.95, 1.00 and 1.05.

Newfoundland and Labrador Hydro ("Hydro") cannot confirm how the surplus or deficit revenue would impact Newfoundland Power Inc. or Rural Island Industrial customers, as doing so would not align with established rate design procedures and legislation, as discussed in Hydro's response to CA-NLH-283 of this proceeding.

Table 1: Hypothetical Island Industrial Customers Revenue to Cost Ratios

Revenue (\$) ¹	Cost to Serve (\$)	Revenue to Cost Ratio
42,815,529	42,815,548	1.00
44,956,305	42,815,548	1.05
40,674,752	42,815,548	0.95

¹ To achieve a revenue to cost ratio of 1.05, rates would increase 5% from the proposed rates in the 2027 Cost of Service Study, and to achieve a revenue to cost ratio of 0.95, rates would decrease by 5%.