

1 Q. **Reference: CA-NLH-005 to CA-NLH-014; NP-NLH-120**

2 Please quantify the change in the 2027 allocated Cost of Service of NP, Island Industrial
3 Customers and Rural Island Interconnected customers resulting from a 5% reduction and a 5%
4 increase in forecast Island Industrial annual energy requirements, holding Hydro's total costs,
5 approved Cost of Service methodology and all other load assumptions constant.

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8 A. Please refer to CA-NLH-288, Attachment 1, demonstrating the change in the 2027 Cost of
9 Service of Newfoundland Power Inc. ("Newfoundland Power"),¹ Island Industrial Customers and
10 Rural Island customers resulting from a 5% reduction and a 5% increase in forecast Island
11 Industrial annual energy requirements.²

¹ This response does not adjust rate mitigation to Newfoundland Power to maintain a rate increase of 2.25%.

² The sensitivity analysis was used to demonstrate how the share of Island Interconnected System costs allocated to each Island Interconnected customer class would change under different load assumptions. As requested, all other costs were held constant. In practice, however, changes in load would also affect the total costs included in the Cost of Service Study. For example, higher load levels would generally result in higher power purchase costs, while lower load levels would generally result in lower power purchase costs. The analysis also uses revenues calculated for the mitigated 2026 Cost of Service Study as shown in Schedule F 1.2.

Sensitivity Analysis - Change in Island Industrial Load ±5%

Customer Class	Base Case -2027 Test Year Cost of Service Study			(+5% IIC Load)			(- 5% IIC Load)		
	Cost to Serve	Rural Deficit	Total	Cost to Serve	Rural Deficit	Total	Cost to Serve	Rural Deficit	Total
Newfoundland Power	574,037,014.00	62,778,788.00	636,815,802.00	573,027,338.49	62,704,058.34	635,731,396.83	575,049,642.00	62,853,760.00	637,903,402.00
Island Industrial	42,815,548.00	-	42,815,548.00	43,898,704.30	-	43,898,704.30	41,729,194.00	-	41,729,194.00
Rural Revenue	87,315,429.00	(18,406,371.00)	68,909,058.00	87,241,948.07	(18,332,890.11)	68,909,057.95	87,389,155.00	(18,480,097.00)	68,909,058.00
Impact of +5% IIC Load Relative to Base Case									
	Cost to Serve	Rural Deficit	Total	Cost to Serve	Rural Deficit	Total	Cost to Serve	Rural Deficit	Total
	(1,009,675.51)	(74,729.66)	(1,084,405.17)	1,012,628.00	74,972.00	1,087,600.00	(1,086,354.00)	-	(1,086,354.00)
	73,480.93	73,480.89	(0.05)	73,726.00	(73,726.00)	-			