

Q. **Reference: CA-NLH-006, Table 1; PUB-NLH-061**

Using the largest percentage shortfall in aggregate Island Industrial annual energy requirements relative to forecast identified for the period 2019 through 2025, please calculate the resulting 2027 allocated Cost of Service of NP, Island Industrial Customers and Rural Island Interconnected customers if an equivalent percentage reduction occurred relative to the 2027 Island Industrial load forecast, holding total Hydro costs and all other load assumptions constant. Use the unrounded shortfall and identify the historical year and source values.

A. Table 1 displays the budgeted versus actual Island Industrial revenue from 2019 to 2025.

Table 1: Budget and Actual Island Industrial Energy Sales

	2019	2020	2021	2022	2023	2024	2025
Budget (GWh)	743	664	702	526	590	665	584
Actual (GWh)	619	453	422	387	334	449	507
Variance (GWh)	(124)	(211)	(280)	(139)	(256)	(216)	(77)
Variance %	(17%)	(32%)	(40%)	(26%)	(43%)	(32%)	(13%)

The year that had the largest percentage variance to Budget was 2023 (256 GWh or 43%). Please refer to CA-NLH-289, Attachment 1, which presents a revised 2027 Cost of Service under a hypothetical scenario where the 2027 load decreased by this same amount.¹

¹ Assume that the 43% decrease will be applied proportionally to each Island Industrial customer based on their 2027 forecasted loads.

Newfoundland and Labrador Hydro
2027 Test Year vs Revision with 43% IIC¹ Load Reduction

Customer Class	2027 Test Year Cost of Service Study			Revised Based on 43% IIC Load Reduction		
	Cost to Serve	Rural Deficit	Total	Cost to Serve	Rural Deficit	Total
Newfoundland Power ²	574,037,014.00	62,778,788.00	636,815,802.00	582,846,813.00	63,431,286.00	646,278,099.00
Island Industrial	42,815,548.00	-	42,815,548.00	33,363,942.00	-	33,363,942.00
Rural Revenue	87,315,429.00	(18,406,371.00)	68,909,058.00	87,957,236.00	(19,048,178.00)	68,909,058.00

¹ Island Industrial Customers ("IIC").

² This analysis does not adjust for rate mitigation.