

1 Q. **Reference: Response to CA-NLH-224, part a**

2 Further to CA-NLH-224(a), please identify the exact wording in Order in Council OC2024-062
3 that Hydro relies on as directing the use of “*annual rate adjustment applications*” for rates
4 effective July 1, 2028, July 1, 2029 and July 1, 2030. Explain whether the Order prescribes that
5 mechanism or leaves the choice of rate-setting process to the Board of Commissioners of Public
6 Utilities.

7
8
9 A. Order in Council OC2024-062 does not contain wording directing Newfoundland and Labrador
10 Hydro (“Hydro”) to use “annual rate adjustment applications” for rates effective July 1, 2028,
11 July 1, 2029, or July 1, 2030. Hydro clarifies that the reference in part a) of CA-NLH-224 of this
12 proceeding to annual rate adjustment applications “as directed by Order in Council OC2024-
13 062” was intended to convey that the requirements of OC2024-062 would apply to Hydro's
14 annual rate adjustment applications during the period covered by the Order, rather than that
15 the Order itself prescribes the use of that particular application mechanism.

16 Specifically, OC2024-062 directs Hydro that “*for each rate application to be filed with the Board*
17 *of Commissioners of Public Utilities relating to the period up to and including the year 2030,*”
18 Hydro shall structure any application for utility rate increases such that retail rate increases to
19 domestic rate class customers attributable to Hydro are targeted at 2.25% per year, with
20 increases for other customers subject to Island Interconnected rates structured in a compatible
21 manner.

22 As explained in the response to part a) of CA-NLH-224, annual updates to rates to reflect
23 recoveries from or balances owed to customers, primarily related to supply costs, are a long-
24 standing practice approved by the Board of Commissioners of Public Utilities for Hydro. Hydro
25 proposes to continue using annual rate adjustment applications to establish the applicable rates
26 for July 1, 2028, July 1, 2029, and July 1, 2030.