

1 **Q. Reference: Requests for Information PUB-NLH-114 and IIC-NLH-010.**

2 **a)** Please provide the COS (Schedule F1.2 and Schedule G1.2) impacts of the Vale Capacity
3 Assistance Agreement, as compared to having no Vale Capacity Assistance Agreement.

4 **b)** Please indicate why the MUN Capacity Assistance expected agreement is not included in
5 the 2027 GRA and COS.

6 **c)** Does Hydro anticipate making a revision to the GRA in the event the MUN Capacity
7 Assistance agreement is finalized?

8 **d)** Please provide the impacts on the COS (the full Schedule F and Schedule G) of including
9 the MUN Capacity Assistance in the COS, based on the same approach to modelling
10 used for the existing 12 MW NP Capacity Assistance agreements.

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13 **A. a)** Please refer to IIC-NLH-039, Attachment 1, which compares proposed 2027 Test Year
14 Schedules F1.2 and G1.2 with and without the Vale Capacity Assistance Agreement included.
15 The comparison shows that the impact of including the Vale Capacity Assistance Agreement
16 in the Cost of Service is approximately \$190,000.

17 **b)** Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to PUB-NLH-188 of
18 this proceeding.

19 **c)** Hydro does not anticipate filing a revision to the 2026 General Rate Application; however,
20 should the Board of Commissioners of Public Utilities approve an increase in the curtailable
21 amount based on test results, or otherwise determine that such an update is appropriate,
22 updates relating to the Memorial University of Newfoundland's ("MUN") Capacity Assistance
23 Agreement may be addressed in Hydro's Compliance Application.

24 **d)** Please refer to IIC-NLH-039, Attachment 2, which compares proposed 2027 Test Year
25 Schedules F1.2 and G1.2 with and without the MUN Capacity Agreements. In this analysis,

1 the 21.7 MW¹ capacity assistance stemming from this agreement was added to the existing
2 12 MW agreement capacity and was treated in a similar manner.

3 Implementation of the MUN Capacity Agreement would decrease the mitigated cost to
4 serve Newfoundland Power Inc. ("Newfoundland Power") by approximately \$5.1 million and
5 increase the cost to serve Island Rural customers by a corresponding amount. This
6 reallocation would result in an adjustment to Newfoundland Power's share of the rural
7 deficit and, therefore, offset the cost increase to Newfoundland Power.

8 On an unmitigated basis, implementation of the MUN Capacity Agreement would decrease
9 the cost to serve Newfoundland Power by approximately \$8.7 million and increase the cost
10 to serve Island Rural customers by a corresponding amount. This reallocation would also
11 result in an adjustment to Newfoundland Power's share of the rural deficit.

12 Industrial customers would be largely unaffected by the capacity agreement because their
13 coincident peak demands are based on their individual demand forecasts and applicable
14 coincidence factors. The agreement would primarily reduce the coincident peak attributed
15 to Newfoundland Power.

¹ Please refer to Newfoundland and Labrador Hydro's response to IIC-NLH-010 of this proceeding.

Newfoundland and Labrador Hydro
Comparison of Test Year Revenue Requirement
Mitigated¹

Customer Class	No Vale Capacity Agreement Scenario (\$)	2027 Test Year Proposed 2026 GRA (\$)	Variance (\$)
Newfoundland Power	574,036,567	574,037,014	(447)
Island Industrial	42,819,321	42,815,548	3,773
Labrador Industrial	9,172,200	9,172,200	-
Rural Labrador Interconnected	20,039,020	20,039,020	-
Island Interconnected	87,315,893	87,315,429	464
Island Isolated	10,404,402	10,404,402	-
Labrador Isolated	44,165,488	44,165,488	-
L'Anse-au-Loup	9,758,496	9,758,496	-
Total	797,711,386	797,707,596	3,790

Unmitigated

Customer Class	No Vale Capacity Agreement Scenario (\$)	2027 Test Year Proposed 2026 GRA (\$)	Variance (\$)
Newfoundland Power	1,009,455,182	1,009,624,141	(168,958)
Island Industrial	77,075,324	77,084,808	(9,484)
Labrador Industrial	9,172,200	9,172,200	-
Rural Labrador Interconnected	20,039,020	20,039,020	-
Island Interconnected	119,411,068	119,423,025	(11,957)
Island Isolated	10,404,402	10,404,402	-
Labrador Isolated	44,165,488	44,165,488	-
L'Anse-au-Loup	9,758,496	9,758,496	-
Total	1,299,481,180	1,299,671,580	(190,400)

¹This scenario assumes that any change in Newfoundland Power Inc.'s cost to serve would be offset through an adjustment to rate mitigation, maintaining the overall rate increase at 2.25%. As rate mitigation was adjusted accordingly, there are no material differences between the Cost of Service schedules.

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

		Total System					
		Comparison of Revenue & Allocated Revenue Requirement					
		2	3	4	5	6	7
Line No.	Rate Class	Cost of Service Before		Revenue	Deficit	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5) (\$)
		Revenues (\$)	Deficit and Revenue Credit Allocation (\$)	Credits (\$)			
Total System							
1	Newfoundland Power	636,811,717	574,036,567	-	62,779,234	-	636,815,801
2	RSP Activity	-	-	-	-	-	-
3	Subtotal Newfoundland Power	636,811,717	574,036,567	-	62,779,234	-	636,815,801
4	Island Industrial	42,815,529	42,819,321	-	-	-	42,819,321
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-
6	Labrador Industrial	9,171,998	9,172,200	-	-	-	9,172,200
7	CFB - Goose Bay Secondary	-	-	-	-	-	-
8	Rural Labrador Interconnected	22,231,036	20,039,020	-	2,191,558	-	22,230,578
Rural Deficit Areas							
9	Island Interconnected	68,909,058	87,315,893	-	(18,406,835)	-	68,909,058
10	Island Isolated	1,717,949	10,404,402	-	(8,686,453)	-	1,717,949
11	Labrador Isolated	11,969,343	44,165,488	-	(32,196,145)	-	11,969,343
12	L'Anse-au-Loup	4,077,137	9,758,496	-	(5,681,359)	-	4,077,137
13	CFB Revenue Credit Applied to Deficit	-	-	-	-	-	-
14	Subtotal	86,673,487	151,644,279	-	(64,970,792)	-	86,673,487
15	Total	797,703,766	797,711,386	-	-	-	797,711,386
							1.00

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Line No.	Rate Class	Total System								
		Comparison of Revenue & Allocated Revenue Requirement								
1	2	3	4	5	6	6	7			
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Newfoundland and Labrador Hydro
Comparison of Test Year Revenue Requirement
Mitigated¹

Customer Class	MUN Capacity Agreement Scenario (\$)	2027 Test Year Proposed 2026 GRA (\$)	Variance (\$)
Newfoundland Power	568,946,388	574,037,014	(5,090,626)
Island Industrial	42,830,122	42,815,548	14,574
Labrador Industrial	9,172,200	9,172,200	-
Rural Labrador Interconnected	20,039,020	20,039,020	-
Island Interconnected	92,604,960	87,315,429	5,289,531
Island Isolated	10,404,402	10,404,402	-
Labrador Isolated	44,165,488	44,165,488	-
L'Anse-au-Loup	9,758,496	9,758,496	-
Total	797,921,075	797,707,596	213,479

Un-Mitigated

Customer Class	MUN Capacity Agreement Scenario (\$)	2027 Test Year Proposed 2026 GRA (\$)	Variance (\$)
Newfoundland Power	1,000,932,245	1,009,624,141	(8,691,896)
Island Industrial	77,084,807	77,084,808	(1)
Labrador Industrial	9,172,200	9,172,200	-
Rural Labrador Interconnected	20,039,020	20,039,020	-
Island Interconnected	128,114,922	119,423,025	8,691,897
Island Isolated	10,404,402	10,404,402	-
Labrador Isolated	44,165,488	44,165,488	-
L'Anse-au-Loup	9,758,496	9,758,496	-
Total	1,299,671,580	1,299,671,580	-

¹ This scenario assumes that any change in Newfoundland Power Inc.'s cost to serve would be offset through a reduction to rate mitigation of 200 K, maintaining the overall rate increase at 2.25%. As rate mitigation was adjusted accordingly, there are no material differences between the Cost of Service schedules other than minor variances.

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Total System

Comparison of Revenue & Allocated Revenue Requirement

Line No.	Rate Class	1	2	3	4	5	6	6	7
				Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5)	Revenue to Cost Coverage (Col.2/3)
			Revenues (\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Total System									
1	Newfoundland Power		636,819,517	568,946,388	-	67,869,412	-	636,815,800	
2	RSP Activity		-	-	-	-	-	-	
3	Subtotal Newfoundland Power		636,819,517	568,946,388	-	67,869,412	-	636,815,800	1.12
4	Island Industrial		42,832,617	42,830,122	-	-	-	42,830,122	1.00
5	Unallocated RSP Hydraulic Variation		-	-	-	-	-	-	-
6	Labrador Industrial		9,171,998	9,172,200	-	-	-	9,172,200	1.00
7	CFB - Goose Bay Secondary		-	-	-	-	-	-	-
8	Rural Labrador Interconnected		22,231,036	20,039,020	-	2,390,448	-	22,429,467	1.11
Rural Deficit Areas									
9	Island Interconnected		68,909,058	92,604,960	-	(23,695,902)	-	68,909,058	0.74
10	Island Isolated		1,717,949	10,404,402	-	(8,686,453)	-	1,717,949	0.17
11	Labrador Isolated		11,969,343	44,165,488	-	(32,196,145)	-	11,969,343	0.27
12	L'Anse au Loup		4,077,137	9,758,496	-	(5,681,359)	-	4,077,137	0.42
13	CFB Revenue Credit Applied to Deficit		-	-	-	-	-	-	-
14	Subtotal		86,673,487	156,933,346	-	(70,259,859)	-	86,673,487	0.55
15	Total		797,728,655	797,921,075	-	-	-	797,921,075	1.00

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Line No.	Rate Class	Total System									
		Comparison of Revenue & Allocated Revenue Requirement									
		1	2	3	4	5	6	6	7		
			Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5)	Revenue to Cost Coverage (Col.2/3)		
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)			
Total System											
1	Newfoundland Power		1,104,639,517	1,000,932,245	-	103,693,834	-	1,104,626,078			
2	RSP Activity		-	-	-	-	-	-			
3	Subtotal Newfoundland Power		1,104,639,517	1,000,932,245	-	103,693,834	-	1,104,626,078	1.10		
4	Island Industrial		77,081,467	77,084,807	-	-	-	77,084,807	1.00		
5	Unallocated RSP Hydraulic Variation		-	-	-	-	-	-	-		
6	Labrador Industrial		9,171,998	9,172,200	-	-	-	9,172,200	1.00		
7	CFB - Goose Bay Secondary		-	-	-	-	-	-	-		
8	Rural Labrador Interconnected		21,931,248	20,039,020	-	2,075,987	-	22,115,007	1.09		
Rural Deficit Areas											
9	Island Interconnected		68,909,058	128,114,922	-	(59,205,864)	-	68,909,058	0.54		
10	Island Isolated		1,717,949	10,404,402	-	(8,686,453)	-	1,717,949	0.17		
11	Labrador Isolated		11,969,343	44,165,488	-	(32,196,145)	-	11,969,343	0.27		
12	L'Anse au Loup		4,077,137	9,758,496	-	(5,681,359)	-	4,077,137	0.42		
13	CFB Revenue Credit Applied to Deficit		-	-	-	-	-	-	-		
14	Subtotal		86,673,487	192,443,308	-	(105,769,821)	-	86,673,487	0.45		
15	Total		1,299,497,717	1,299,671,580	-	-	-	1,299,671,580	1.00		

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Total System

Comparison of Revenue & Allocated Revenue Requirement

Line No.	Rate Class	1	2	3	4	5	6	7
			Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP After Deficit and Revenue Credit Allocation (Col.3+4+5)	Revenue to Cost Coverage (Col.2/3)
			(\$)	(\$)	(\$)	(\$)	(\$)	
1	Total System							
2	Newfoundland Power		172,200	8,691,896	-	(8,505,213)	-	186,683
3	RSP Activity		-	-	-	-	-	-
4	Subtotal Newfoundland Power		172,200	8,691,896	-	(8,505,213)	-	186,683
5	Island Industrial		-	1	-	-	1	(0.00)
6	Unallocated RSP Hydraulic Variation		-	-	-	-	-	-
7	Labrador Industrial		-	-	-	-	-	-
8	CFB - Goose Bay Secondary		-	-	-	-	-	-
9	Rural Labrador Interconnected		-	-	-	(186,684)	(186,684)	-
10	Rural Deficit Areas		-	-	-	-	-	-
11	Island Interconnected		-	(8,691,897)	-	8,691,897	-	0.04
12	Island Isolated		-	-	-	-	-	-
13	Labrador Isolated		-	-	-	-	-	-
14	L'Anse au Loup		-	-	-	-	-	-
15	CFB Revenue Credit Applied to Deficit		-	-	-	-	-	-
16	Subtotal		-	(8,691,897)	-	8,691,897	-	0.02
17	Total		172,200	-	-	-	-	0.00

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Line No.	Rate Class	Total System								
		Comparison of Revenue & Allocated Revenue Requirement								
		2	3	4	5	6	7			
		Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5)	Revenue to Cost Coverage (Col.2/3)		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)			
Total System										
1	Newfoundland Power	1,104,811,717	1,009,624,141	-	95,188,621	-	1,104,812,761			
2	RSP Activity	-	-	-	-	-	-			
3	Subtotal Newfoundland Power	1,104,811,717	1,009,624,141	-	95,188,621	-	1,104,812,761	1.09		
4	Island Industrial	77,081,467	77,084,808	-	-	-	77,084,808	1.00		
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-	-		
6	Labrador Industrial	9,171,998	9,172,200	-	-	-	9,172,200	1.00		
7	CFB - Goose Bay Secondary	-	-	-	-	-	-	-		
8	Rural Labrador Interconnected	21,931,248	20,039,020	-	1,889,304	-	21,928,324	1.09		
Rural Deficit Areas										
9	Island Interconnected	68,909,058	119,423,025	-	(50,513,967)	-	68,909,058	0.58		
10	Island Isolated	1,717,949	10,404,402	-	(8,686,453)	-	1,717,949	0.17		
11	Labrador Isolated	11,969,343	44,165,488	-	(32,196,145)	-	11,969,343	0.27		
12	L'Anse au Loup	4,077,137	9,758,496	-	(5,681,359)	-	4,077,137	0.42		
13	CFB Revenue Credit Applied to Deficit	-	-	-	-	-	-	-		
14	Subtotal	86,673,487	183,751,411	-	(97,077,924)	-	86,673,487	0.47		
15	Total	1,299,669,917	1,299,671,580	-	-	-	1,299,671,580	1.00		

NEWFOUNDLAND AND LABRADOR HYDRO
2027 Test Year Cost of Service Study

Total System

Comparison of Revenue & Allocated Revenue Requirement

Line No.	Rate Class	1	2	3	4	5	6	6	7
			Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP After Deficit and Activity	Revenue Requirement Credit Allocation (Col.3+4+5)	Revenue to Cost Coverage (Col.2/3)
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Total System									
1	Newfoundland Power		(7,800)	5,090,626	-	(5,090,624)	-	2	
2	RSP Activity		-	-	-	-	-	-	
3	Subtotal Newfoundland Power		(7,800)	5,090,626	-	(5,090,624)	-	2	-0.01
4	Island Industrial		(17,089)	(14,574)	-	-	-	(14,574)	(0.00)
5	Unallocated RSP Hydraulic Variation		-	-	-	-	-	-	-
6	Labrador Industrial		0	-	-	-	-	-	0.00
7	CFB - Goose Bay Secondary		-	-	-	-	-	-	-
8	Rural Labrador Interconnected		-	-	-	(198,907)	-	(198,907)	-
Rural Deficit Areas									
9	Island Interconnected		-	(5,289,531)	-	5,289,531	-	-	0.05
10	Island Isolated		-	-	-	-	-	-	-
11	Labrador Isolated		-	-	-	-	-	-	-
12	L'Anse au Loup		-	-	-	-	-	-	-
13	CFB Revenue Credit Applied to Deficit		-	-	-	-	-	-	-
14	Subtotal		-	(5,289,531)	-	5,289,531	-	-	0.02
15	Total		(24,889)	(213,479)	-	-	-	(213,479)	0.00

2027 Test Year Cost of Service Study

Total System