

1 Q. Reference: Vol. I, Ch. 6, sec. 6.10.5, p. 6.31 (PDF p. 205); Vol. I, Application, paras. (xviii) and
2 (xix)(e), pp. 11–12 (PDF pp. 28–29); Vol. III, Exhibit 19 (2027 Revenue Deficiency Summary)
3 (PDF p. 814).

4 Preamble:

5 Proposed rates are to take effect 1 July 2027; the proceeding schedule contemplates a hearing
6 commencing 26 January 2027.

7 If final rates are not in effect by 1 July 2027, describe the interim rate mechanism or
8 deferral/rider treatment (including the GRA Recovery Rider proposed in section 6.10.5) that
9 would apply to Labrador Industrial customers, and state whether any approved increase would
10 be front-loaded or trued-up retroactively to 1 July 2027.

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13 A. Newfoundland and Labrador Hydro (“Hydro”) proposed to amortize the Labrador Industrial
14 customers \$1.8 million revenue deficiency over a period of 42 months resulting in a general rate
15 application (“GRA”) Recovery Rider of approximately \$42,000 per month. The revenue
16 deficiency is the difference between existing rates billed from January 1, 2027 to June 30, 2027,
17 and the rates proposed in Hydro’s 2026 GRA. If the implementation of proposed rates were
18 delayed by one month to August 1, 2027, the revenue deficiency would increase by
19 approximately \$292,000,¹ resulting in an increase to the GRA Recovery Rider from
20 approximately \$42,000 per month to approximately \$50,000² per month over 41 months.

21 The proposal for collection of deficiencies could change depending on the actual delay in
22 implementing the rates proposed in the 2026 GRA.

¹ Exhibit 19: Labrador Industrial Deficiency/(Excess) of \$1,753 / 6 months = \$292.

² Exhibit 19: Labrador Industrial Deficiency Balance of \$1,738 + Increase in Deficiency of \$292 = \$2,030/41 months remaining = approximately \$50.