

1 Q. **Reference: Volume I, Section 6.2.3, Section 6.11, and Volume 3, Exhibit 20, Issue Topic:**
2 **Newfoundland Power Generation Credit**

3 Please provide the impact on Newfoundland Power and its customers based on the following
4 scenarios: (i) hydraulic production during the test is 64 MW and thermal production is 39.299
5 MW for a total of 103.299 MW; (ii) hydraulic production during the test is 74 MW and thermal
6 production is 29.299 MW for a total of 103.299 MW; and (iii) hydraulic production during the
7 test is 54 MW and thermal production is 49.299 MW for a total of 103.299 MW.

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10 A. The proposed revision to the *Schedule of Rates, Rules and Regulations – Utility Definitions*
11 outlines the process by which Newfoundland Power Inc. (“Newfoundland Power”) may qualify
12 for the Generation Credit. Under the proposed process, hydraulic and thermal generation
13 components will be tested separately. If either component does not meet the required level
14 during the initial test, Newfoundland Power will be given a second opportunity to demonstrate
15 its eligibility for the Generation Credit. As stated in the proposed definition, “*if the level is not*
16 *sustained in the second test **in total**, the Generation Credit will be reduced [...] to the highest*
17 *level that could be sustained.*”¹[Emphasis Added]

18 Because the outcome of the second test is based on the total generation level sustained,
19 Newfoundland Power will receive the full Generation Credit provided it can meet the overall
20 generation requirement, regardless of the relative contribution from hydraulic and thermal
21 generation. Accordingly, the proportion of thermal versus hydraulic generation does not affect
22 the credit received and, therefore, there is no impact on customers under any of the scenarios
23 considered.

¹ “2026 General Rate Application,” Newfoundland and Labrador Hydro, May 27, 2026, vol. III, exh. 20.