

1 Q. **Reference: PUB-NLH-109, Issue Topic: Newfoundland Power Generation Credit**

2 Please provide the impact on cost allocation to Newfoundland Power if the thermal generation
3 credit is treated in the same manner as the hydraulic generation credit.

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6 A. Please refer to Table 1 that provides the results of preparing the 2027 Test Year Cost of Service
7 model under two scenarios:

8 i. Assuming that the Thermal Generation credit of 39.3 MW is treated in the same
9 manner as the Hydraulic credit in the Cost of Service; and

10 ii. Reflecting the proposed 2027 Test Year treatment in the current 2026 General Rate
11 Application (“GRA”) Cost of Service model.

12 Including the Thermal Generation credit in the calculation of the transmission Coincident Peak
13 would decrease the Newfoundland Power Inc.’s (“Newfoundland Power”) Transmission Demand
14 Coincident peak from 1,435,869 kW to 1,396,570 kW which would impact the allocation of costs
15 in the Cost of Service. In the proposed 2027 Test Year Cost of Service Study, only the Hydraulic
16 credit is applied to Coincident Peak at Transmission.¹ If thermal were to be treated in a similar
17 manner, there would be a reduction to the coincident peak.

18 Overall, the impact of treating the thermal generation credit in the same manner as the
19 Hydraulic credit would decrease Newfoundland Power’s Cost of Service by \$421,571.²

¹ Approved in Board Order No. P.U 8(2007), p. 22, para. 2.

² \$274,869 of the total \$421,571 would be shifted to Island Industrial Customers and the remaining \$146,702 would be shifted to Rural Island Interconnected System customers.

Table 1: Impact of Thermal Credit Applied to Coincident Peak at Transmission

Customer Class	Thermal Credit Applied to Coincident Peak at Transmission	2027 Test Year Proposed 2026 GRA	Variance
	(\$)	(\$)	(\$)
Newfoundland Power	573,615,443	574,037,014	(421,571)
Island Industrial	43,090,417	42,815,548	274,869
Labrador Industrial	9,172,200	9,172,200	-
Rural Labrador			
Interconnected	20,039,020	20,039,020	-
Rural Island Interconnected	87,462,132	87,315,429	146,702
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	797,707,596	797,707,596	-