

1 **Q. (page 3 of 7) Has NP updated its load forecast to reflect the latest projected Hydro**
2 **rate increases identified at the bottom of page 3 of 7 in light of the recent**
3 **Supplemental Settlement Agreement? What impact is this expected to have on NP's**
4 **load forecast?**

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6 A. Newfoundland Power has not updated its load forecast to reflect the recent Supplemental
7 Settlement Agreement or the increase that occurred on July 1, 2018.¹

8
9 *2018 Rate Increases*

10 Newfoundland Power's energy sales forecast includes the effect of a 5.5% increase on
11 July 1, 2018. This compares with the average rate increase on July 1, 2018 of 6.8%.

12
13 *2019 Rate Increases*

14 Newfoundland Power's energy sales forecast includes the effect of a rate increase of
15 4.6% on January 1, 2019. Hydro recently provided evidence (the "Supplemental
16 Evidence") pertaining to the rate impact of the Supplemental Settlement Agreement
17 which shows a required increase of 1.9% to Newfoundland Power (1.2% to end users).²
18 However, the Supplemental Evidence is based on certain assumptions that are still
19 outstanding. The outstanding matters can have material impact on the potential customer
20 rate impacts.³

21
22 There is not sufficient certainty in the outcome of Hydro's 2017 General Rate
23 Application, even given the Supplemental Settlement Agreement, for Newfoundland
24 Power to provide an *expected* impact on Newfoundland Power's load forecast.

¹ See *Supplemental Evidence – Customer Impacts Reflecting 2017 GRA Settlement Agreements*, Hydro's 2017 General Rate Application, dated July 20, 2018.

² Ibid.

³ Issues not settled include the potential exclusion of O&M costs associated with the Labrador Island Link and Labrador Transmission Assets from Hydro's 2019 test year.