

- 1 Q. (Reference PUB-NP-027) It is stated “*Changes in supply cost dynamics post-Muskrat*
2 *Falls may also impact the amount of the energy supply cost variances in 2022 and*
3 *2023. Marginal energy costs are forecast to be substantially lower upon commissioning*
4 *of the Muskrat Falls Project. For example, the latest marginal cost estimates from*
5 *Hydro indicate a marginal energy rate of approximately 4.2 ¢/kWh, which is*
6 *significantly less than the 18.165¢/kWh reflected in current customer rates.” The*
7 *response goes on to say, “RSA transfers in 2022 and 2023 will ultimately depend on*
8 *the energy variances from the 2022 and 2023 test years and the wholesale rate in effect*
9 *in those years.” Please confirm that Newfoundland Power will be in a much better*
10 *position to forecast costs and demands driving retail rates after Hydro files its next*
11 *GRA.*
- 12
- 13 A. It is currently uncertain how commissioning of the Muskrat Falls Project or a final rate
14 order on Newfoundland and Labrador Hydro’s (“Hydro”) next general rate application
15 (“GRA”) will affect the Utility rate charged by Hydro in 2022 or 2023.
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- 17 See response to Request for Information CA-NP-004 for further information, including
18 the process Newfoundland Power will follow to revise its power supply costs resulting
19 from a change in the Utility rate charged by Hydro associated with the recovery of
20 Muskrat Falls Project costs or other costs proposed through Hydro’s next GRA.