Q. **Reference: Application, Volume III, Exhibit 17, Christensen Associates Report, page 3.**

The Christensen Associates Report states the HOU design is attractive to rate designers in the sense that efficient pricing of incremental load can be achieved despite the fact that the utility is recording just two quantities per month: peak kW and total kWh. Further improvement in price efficiency requires movement to time-varying pricing.

a) Did Hydro consider any time-varying pricing rate designs that included daily or weekly peak and off-peak prices? If not, why?

b) What were the results of that analysis?

A. Newfoundland and Labrador Hydro ("Hydro") has not considered time-varying pricing rate designs that include daily or weekly peak and off-peak prices for firm energy. Hydro implemented non-firm rate options for Rate No. 5.1L on the Labrador Interconnected System and for the Island Industrial Customers with monthly peak and off-peak pricing effective March 1, 2024. Hydro will file a report by June 1, 2028 with the Board of Commissioners of Public Utilities addressing the non-firm rate, including a pricing frequency update based on operational experience. The results of the operational experience for non-firm rates will inform whether more frequent updates will have any benefits for customers that could be used in considering changes to firm rates in the future.