

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 1, Section 5.3.**

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4 **Given the increase in heat pump usage by the customers of Newfoundland Power,**
5 **does Newfoundland Power plan to conduct an updated load research study? If yes,**
6 **what is the timeframe for the planned completion of this study?**

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8 A. Newfoundland Power is currently completing a heat pump load research study to better
9 understand the impacts of heat pumps on customer load requirements.¹

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11 Newfoundland Power anticipates commencing an updated load research study, for cost of
12 service purposes, once Muskrat Falls Project costs are reflected in customer rates. This is
13 expected to follow a finalized agreement between the governments of Canada and
14 Newfoundland and Labrador regarding the financial restructuring of the Muskrat Falls
15 Project.² It is also dependent on an application by Newfoundland and Labrador Hydro
16 (“Hydro”) to reflect Muskrat Falls Project costs in customer rates.³

¹ See response to Request for Information NLH-NP-062 for information relating to Newfoundland Power’s ongoing heat pump study.

² On July 28, 2021, the governments of Canada and Newfoundland and Labrador announced an agreement in principle for the financial restructuring of the Muskrat Falls Project. The outcome of this agreement in principle will impact the Muskrat Falls Project costs that will be recovered from Newfoundland Power’s customers.

³ Hydro is required to file a general rate application (“GRA”) once Muskrat Falls Project costs and rate mitigation are known to establish a new Utility rate. In Order No. P.U. 15 (2020), the Board approved Hydro’s request to delay the filing of its GRA as Hydro lacked critical information needed to develop proposed customer rates. The Board directed Hydro to file quarterly updates with respect to the filing of its next GRA beginning on September 30, 2020. In Hydro’s June 30, 2021 update, Hydro indicated that it is still awaiting information on the financial restructuring of the Muskrat Falls Purchase Power Agreement and the completion of government’s rate mitigation plan and therefore did not have adequate information to file a fully informed GRA.