



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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2023-11-17

Lindsay Hollett
Senior Legal Counsel
Newfoundland Power Inc.
55 Kenmount Road, P.O. Box 8910
St. John's, NL A1B 3P6

Dear Ms. Hollett:

Re: Newfoundland Power Inc. - 2025-2026 General Rate Application - Direction

On November 9, 2023 Newfoundland Power filed its 2025-2026 General Rate Application seeking approval of its 2024 forecast average rate base and rate of return on rate base as well as approval of its 2025 and 2026 test year revenue requirements. Newfoundland Power stated that combining these proposals provides a fulsome view of its costs to be recovered through customer rates over the next three years and contributes to regulatory efficiency.

The Board directs Newfoundland Power to file a separate application relating to approval of its 2024 forecast average rate base and rate of return on rate base. It has been long standing practice of the Board to determine a just and reasonable return on rate base for non-test years through the use of the Automatic Adjustment Formula, or since the suspension of the Automatic Adjustment Formula in 2011, through a separate application from the utility. The limited proposals which need to be reviewed and tested to ensure adequate rate recovery for 2024 should not be impacted by the timelines required for the review of the extensive proposals provided in the 2025-2026 General Rate Application.

The Board further directs Newfoundland Power to include the following information in its separate application for approval of 2024 forecast average rate base and rate of return on rate base:

- (i) Rate impact and analysis for implementation dates earlier than July 1, 2024, including February 1, March 1 and April 1, 2024;
- (ii) Rate impact and analysis of a rate of return on rate base using the low, middle and high end of the proposed range of 6.68% to 7.04%

Further direction on the 2025-2026 General Rate Application will be issued by the Board.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or by telephone 709-726-6781.

Sincerely,



Jo-Anne Galarneau
Executive Director and Board Secretary

ecc **Newfoundland Power Inc.**

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