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August 23, 2001

G. Cheryl Blundon
Board Secretary
Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, NF
A1A 5B2

Dear Ms. Blundon:

**Re: Newfoundland & Labrador Hydro's 2001 General Rate Application –
Revision to IC-87, IC-134 & IC-180**

Attached please find an original plus seventeen (17) copies of *revised* responses to Request for Information (RFI) IC-87, IC-134 & IC-180. The explanations for these revisions are detailed on page one of each RFI.

We apologize for any inconvenience this may cause.

Yours truly,

Newfoundland and Labrador Hydro

Maureen P. Greene, Q.C.
Vice-President & General Counsel

MPG/jc

cc: Gillian Butler, Q.C. and Peter Alteen
Counsel to Newfoundland Power Inc.
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Mr. Dennis Peck
Director of Economic Development
Town of Happy Valley-Goose Bay
P.O. Box 40, Station B
Happy Valley-Goose Bay
Labrador, NF
A0P 1E0

1 Q. Provide the 2002 Forecast Cost of Service with the generation assets, the
2 associated terminal stations and the 138 kV & 66 kV transmission lines on
3 the Great Northern Peninsula assigned as specific to the Rural
4 Interconnected Customers.

5

6 A. See attached. This Cost of Service Study has been revised from the original
7 response to incorporate the allocation of transmission losses on the Great
8 Northern Peninsula to Rural. On page 38, Schedule 3.1A, Hydro Rural
9 demand and energy have been increased. Changes resulting from the
10 revised Island Interconnected production demand and energy allocators can
11 be found on pages 39 and 40, as well as on all summary schedules where
12 Island Interconnected customer amounts are reported.

1 Q. With regard to Brickhill's evidence page 7, lines 1 - 4, list all the changes in
2 assignment on the Island Interconnected System and the cost impact that
3 each change has on the three customer classes.
4

5 A. The changes in plant assignment and cost impacts are attached. The
6 impacts for the reassignment of GNP Transmission assets (line 2) have been
7 revised to incorporate the allocation of transmission losses on the GNP to
8 Rural.

NEWFOUNDLAND AND LABRADOR HYDRO
2002 Forecast Cost of Service
Proposed Changes in Plant Assignment - Cost Impacts (\$000)

	<u>Before Deficit & Revenue Credit Allocation</u>			<u>After Deficit & Revenue Credit Allocation</u>		
	NP	Industrial	Rural Island Interconnected	NP	Industrial	Rural Island Interconnected
Doyles / Bottom Brook re-assigned from NP to Common	(146)	94	52	(110)	94	---
GNP Transmission assets re-assigned from Rural to Common	7,937	1,459	(9,099)	(10)	1,458	---
Frequency Converters re-assigned from Common to Specific	(130)	141	(11)	(140)	141	---
S'ville / Bottom Brook assets re-assigned from Common to NP	6	(4)	(2)	5	(4)	---

1 Q. What are the forecast cost implications for the Industrial Customers and
2 Newfoundland Power of the change in assignment of the 138 KV and 66 KV
3 transmission lines and associated terminal station equipment connecting
4 Hawkes Bay, St. Anthony and Roddickton generation from Hydro Rural to
5 Common?
6

7 A. The cost implications are as follows:
8

9	Newfoundland Power	\$10,000 decrease
10	Island Industrial Customers	\$1,458,000 increase

11

12 These numbers have been revised from those originally filed to incorporate
13 the allocation of transmission losses on the Great Northern Peninsula to
14 Rural.
15

16 A revised Cost of Service study is attached. On page 38, Schedule 3.1A,
17 Hydro Rural demand and energy have been increased. Changes resulting
18 from the revised Island Interconnected production demand and energy
19 allocators can be found on pages 39 and 40, as well as on all summary
20 schedules where Island Interconnected customer amounts are reported.

August 24, 2001

G. Cheryl Blundon
Board Secretary
Board of Commissioners of Public Utilities
Suite E210, Prince Charles Building
120 Torbay Road
P.O. Box 21040
St. John's, NF
A1A 5B2

Dear Ms. Blundon:

Re: Newfoundland & Labrador Hydro's 2001 General Rate Application

Please find enclosed the original plus seventeen (17) copies of Newfoundland and Labrador Hydro's responses to Requests for Information for the following numbers:

LC-16, 17 and 18.

IC-212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 228, 229, 230, 231, 232, 233, 234 and 235.

Yours truly,

Newfoundland and Labrador Hydro

Maureen P. Greene, Q.C.
Vice-President & General Counsel

MPG/jc

Enclosure

cc: Gillian Butler, Q.C. and Peter Alteen
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Mr. Dennis Peck
Director of Economic Development
Town of Happy Valley-Goose Bay
P.O. Box 40, Station B
Happy Valley-Goose Bay
Labrador, NF
A0P 1E0

1 Q. Did the contractual arrangements change or was there a change in the
2 physical arrangements that caused the losses to increase?

3

4

5 A. As indicated in LC-14, effective May 1, 1992, energy deliveries to both
6 Labrador City and the Iron Ore Company of Canada were metered at Hydro's
7 Wabush terminal station (stated in LC-14 as the Wabush 46 kV bus). Prior to
8 May 1, 1992, energy deliveries to the Iron Ore Company of Canada which
9 included Labrador City were metered at Churchill Falls (stated in LC-14 as
10 the 230 kV bus at Churchill Falls). The change in contractual arrangements
11 and subsequent metering locations for Hydro's energy deliveries to the Iron
12 Ore Company of Canada accounts for the increase in transmission losses for
13 the Labrador Interconnected System by including losses on the 230 kV
14 transmission system between Churchill Falls and Labrador west. Prior to May
15 1, 1992 such losses would have been included in energy deliveries to the
16 Iron Ore Company of Canada.

1 Q. **Referred to IC-20**

2

3 What changed financially that required N&LH to request approval from the
4 PUB for an alteration in rates that it charges customers?

5

6 A. From a financial perspective, the most significant item that has influenced
7 Hydro to request approval from the P.U.B. for an alteration in rates it charges
8 to its customers, is the fact that the cost of No. 6 fuel has increased from
9 \$12.50 per barrel in 1992 and is predicted to increase to \$28.00 per barrel in
10 2002. Hydro's rates, which were last approved in 1992 were based on No. 6
11 fuel costing \$12.50 per barrel and Hydro is recommending that \$20.00 per
12 barrel be used as the base price of No. 6 fuel that would be included in the
13 2002 rates, with any variation from this price and the actual cost of fuel
14 (currently projected to be \$28.00 per barrel) going into the R.S.P.

15

16 As well the P.U.B. in a previous referral, ordered that Hydro would be
17 required to review with the P.U.B. the balance in the R.S.P. for Newfoundland
18 Power should this balance in the plan approach the \$50 million cap set by the
19 P.U.B. It is projected that Hydro will be approaching the existing cap in late
20 2001.

- 1 Q. IC-34 Would Labrador City be capable of wheeling energy? If so, what
2 would be the wheeling rate for Labrador City? Please include all calculations
3 and assumptions used to calculate this rate.
4
5
- 6 A. Hydro will consider providing wheeling services to any large customer with
7 their own generation as outlined in the responses to IC-35 and IC-36.
8 Labrador City does not have its own generation and therefore is not capable
9 of wheeling energy.

1 Q. Provide the latest CBRS and Standard and Poors bond rating reports for the
2 Province of Newfoundland.

3

4 A. Standard and Poors and the Canadian Bond Rating Service combined
5 operations in October 2000 (see announcement attached). It was
6 announced at that time that both firms would “work together in the coming
7 months to harmonize outstanding CBRS ratings with those of Standard &
8 Poors”. No reports were prepared by either firm on the Province in 2000,
9 and hence the most recent report is dated December 1999, a copy of which
10 is attached. There has been no change in the Province’s A- (Stable) rating
11 from S&P since that time.

1 Q. Provide all of the assumptions used in producing the economic forecast
2 attached to the answer to IC 82 and identify all assumptions that do not
3 agree with the Province's own views.

4
5

6 A. See response to CA-125 regarding the summary of major assumptions for
7 2001 Long Term Planning Forecast.

8

9 In conjunction with Hydro's request to the Provincial Government
10 (Department of Finance) to provide an economic forecast, Hydro provides
11 assumptions with respect to the timing and scope of uncommitted mega-
12 projects such as Voisey's Bay and Lower Churchill development for
13 electricity forecasting.

14

15 As indicated in IC-82, such assumptions may or may not agree with
16 assumptions held by the Provincial Government. The Department of Finance
17 does not indicate to Hydro which assumptions may be in disagreement, only
18 that the economic forecast services provided to Hydro are an independent
19 analytical service for Hydro's own purposes and are distinct from
20 Government's own long term planning economic forecast requirements.

- 1 Q. Provide a list of the specific items referred to in the answer to IC 85 with their
 2 locations and assignment for the purposes of the Cost of Service Study.
 3
 4
 5 A. The items referred to in the answer to IC-85 including their locations and
 6 assignment for the purposes of the Cost of Service Study are summarized in
 7 the following table. For each item the circuit breaker and disconnect switch
 8 associated with the item is assigned as per the specific item.

Location and Assignment of Voltage Support Equipment For the Purposes of the Cost of Service Study			
Type of Voltage Support Equipment	Terminal Station Location	NLH Operating Number	Assignment
Capacitor Bank	Hardwoods	C1 & C2	Common
Capacitor Bank	Oxen Pond	C1 & C2	Common
Capacitor Bank	Long Hr.	C1	Common
Capacitor Bank	St. Anthony Airport	C1, C2 & C3	Common
Capacitor Bank	Grand Bay	C1	NF Power
Shunt Reactor	Plum Point	R1 & R2	Common
Shunt Reactor	Bear Cove	R1	Common
Capacitor Bank	Happy Valley	C1, C2, C3 & C4	Common
Synchronous Condenser	None at Present		

1 Q. As to the assignment of plant on the Great Northern Peninsula and plant
2 associated with the Doyles - Port-aux-Basques line and terminal station:

3

4 a) Has Hydro re-examined the cost assignment decisions as required by
5 the Board at page 33 of its report entitled "Report of the Board of
6 Commissioners of Public Utilities to the Honourable Minister of Mines
7 and Energy, Government of Newfoundland and Labrador on a
8 Referral by the Lieutenant-Governor in Council Concerning Rural
9 Electrical Service' dated July 29, 1996? If not, why not?

10

11 b) If the answer to a) is yes, provide a complete description of the
12 process of re-examination, a complete list of all factors considered
13 both for and against the provisional assignment directed by the Board
14 and a full description of the reasoning employed in reaching the
15 conclusion that the provisional assignment should be made
16 permanent.

17

18

19 A. With respect to the assignment of plant on the Great Northern Peninsula and
20 plant associated with the Doyles – Port-aux-Basques line and terminal
21 station:

22

23 a) Hydro has accepted the Board's cost assignment decision on page 33
24 of its July 29, 1996 report. Hydro expects that the Board will re-
25 examine its cost assignment decision and Hydro's guidelines for the
26 assignment of plant as outlined on pages 16 and 17 of H. G. Budgell's
27 testimony at this hearing.

1 b) Page 33 of the Board’s July 29, 1996 report states:

2
3 **“The Board recommends that both the generation assets and the**
4 **138 kV transmission line on the Great Northern Peninsula be**
5 **assigned, on a provisional basis, as being of common benefit to**
6 **all interconnected customers and that sub-transmission costs**
7 **(for lines whose voltage is below 138 kV) be specifically**
8 **assigned. The Board further recommends re-examination of**
9 **these cost assignment decisions, and the rules for cost**
10 **assignment, at a future hearing.”**

11
12 Page 33 also provides a listing of common plant on the Great
13 Northern Peninsula. This recommendation by the Board was
14 additional to the Board’s previous recommendation on assignment of
15 plant on the Great Northern Peninsula as contained in its report dated
16 February 1993. Recommendation 4 on page 74 of the February 1993
17 report states:

18
19 **“That transmission lines dedicated to the service of Hydro Rural**
20 **rate Classes be included in a sub-transmission function, and the**
21 **costs attributed thereto be allocated exclusively to such**
22 **classes.”**

23
24 It is Hydro’s position that all of its generation connected to the Island
25 Interconnected System, regardless of size or location, is of benefit to
26 all Island customers and therefore is assigned common. Hydro
27 operates all generation with due consideration given to the load to be
28 served, least cost production, reservoir management and plant
29 maintenance. The July 29, 1996 decision by the Board to assign the

1 costs associated with the generating facilities at St. Anthony and
2 Roddickton as common is consistent with Hydro's position and
3 previous Board rulings.
4

5 The interconnection of the St. Anthony – Roddickton System has
6 added generation to the Island Interconnected System. In order to
7 apply the Board's July 29, 1996 decision consistently across the
8 Island Interconnected System, Hydro has proposed in its guidelines
9 that in situations where transmission and terminal station equipment
10 connect a single customer and remote generation to the grid that the
11 transmission and terminal station equipment would be assigned
12 common if, under any normal operating scenario, the output of the
13 remote generation can be delivered to the 230 kV grid. A review of
14 the Great Northern Peninsula indicated that under light load conditions
15 the combined generation of Hawke's Bay, St. Anthony and Roddickton
16 exceeded the radial load. Similarly a review of the Doyles – Port-aux-
17 Basques system and the Burin Peninsula system revealed that the
18 combined generation on each of these systems exceeded the radial
19 load under light load conditions. Hydro has applied its guidelines for
20 the assignment of plant and the Board's July 29, 1996 decision on
21 cost assignment to the entire Island Interconnected System for the
22 purpose of this Cost of Service Study in anticipation that the Board will
23 re-examine the July 29, 1996 decision and Hydro's guidelines at this
24 hearing.

1 Q. On what basis are amounts associated with hydraulic variations and fuel
2 prices allocated between the Retail Rate Stabilization Plan and the Industrial
3 Rate Stabilization Plan? Provide a sample calculation for April 2001.

4

5 A. Hydraulic variations and fuel costs are allocated between retail and industrial
6 customers based on generation energy.

7

8 Each month, test year energy is updated with actual energy to derive annual
9 energy ratios. A year-to-date allocation is performed and results are
10 subtracted from the prior month year-to-date allocation to obtain monthly
11 amounts.

12

13 The attached schedule shows a sample calculation for April 2001. Island
14 Interconnected Retailer, Industrial and Rural energy allocators are
15 recalculated for the year. The revised allocation is applied to the year to date
16 RSP activity. The Rural portion is allocated among customer groups based
17 on adjusted revenue requirement ratios.

RSP Allocation of Hydraulic Variation and Fuel Price Variation
April, 2001

Year to date Hydraulic Variation	\$ (4,167,010)	
Year to date Fuel Price Variation	25,711,500	
Total	<u>\$ 21,544,490</u>	(A)

	1	2	3	4	5	6
	Energy kWh (Note 1)	Ratio (Note 2)	Allocation of Costs (Amount (A) * Col 2)	Rural Deficit Ratios (Note 2)	Allocation of Rural Fuel (Amount B * Col 4)	Total (Col 3 + Col 5)
<u>Sales plus estimated losses</u>						
NF Power	4,499,050	0.7345	\$ 15,825,429	0.7671	\$ 902,839	\$ 16,728,267
Industrial Customers	1,291,302	0.2108	4,542,161	0.1837	216,226	4,758,387
Rural Customers	334,584	0.0546	1,176,901 (B)	-1.0000	(1,176,901)	-
Labrador Interconnected				0.0491	57,836	57,836
Total	<u>6,124,936</u>	<u>1.0000</u>	<u>\$ 21,544,490</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 21,544,490</u>

Note 1: 4 months actual, 8 months test year.

Note 2: Ratios are displayed at 4 decimal places but not truncated in the calculation.

1 Q. Provide monthly LOLH calculations for 2002 omitting the generation provided
2 by the Roddickton Mini-Hydro, the St. Anthony Diesel, the Hawke's Bay
3 diesel and the Roddickton diesel.

4
5

6 A. The monthly LOLH calculations for 2002 for the Island Interconnected
7 System with the Roddickton Mini-Hydro, St. Anthony Diesel, Hawke's Bay
8 diesel and Roddickton diesel removed from the system capability are shown
9 below:

10

	LOLH
	(hours)
13 Jan	1.22133
14 Feb	3.05730
15 Mar	0.25607
16 Apr	0.00374
17 May	0.00126
18 Jun	0.00009
19 Jul	0.00000
20 Aug	0.00000
21 Sep	0.00000
22 Oct	0.00022
23 Nov	0.02583
24 Dec	0.61613

1 Q. Provide the monthly breakdown for the LOLH figures shown in the answer to
2 IC 84.

3

4

5 A. The monthly breakdown for the LOLH figures shown in the answer to IC-84
6 are shown in the attached table.

	LOLH (hours)									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	0.65245	0.91660	1.09862	1.52394	2.03265	2.69263	3.66986	4.96228	6.05495	6.60046
Feb	1.75175	2.37483	2.80633	2.86134	4.92401	6.38052	8.49472	8.58556	13.39440	14.48802
Mar	0.12449	0.18754	0.22323	0.31831	0.43843	0.59942	0.84117	1.16663	1.45104	1.58418
Apr	0.00115	0.00224	0.00284	0.00481	0.00770	0.01200	0.01936	0.03053	0.04121	0.04629
May	0.00030	0.00068	0.00091	0.00173	0.00295	0.00505	0.00878	0.01486	0.02109	0.02396
Jun	0.00000	0.00005	0.00006	0.00010	0.00017	0.00029	0.00062	0.00117	0.00176	0.00200
Jul	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Aug	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sep	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Oct	0.00006	0.00013	0.00016	0.00034	0.00064	0.00122	0.00221	0.00376	0.00541	0.00617
Nov	0.01052	0.01754	0.02128	0.03238	0.04729	0.06849	0.10193	0.14924	0.19245	0.21199
Dec	0.31526	0.46338	0.54475	0.76108	1.02867	1.38356	1.90910	2.60700	3.21106	3.48351
TOTAL	2.85599	3.96298	4.69817	5.50403	8.48250	11.14317	15.04776	17.52103	24.37336	26.44658

1 Q. Provide copies of the Shawinigan Engineering Preliminary Report 3141-1-64
2 on the Integration of Bay D'Espoir Power Development and Existing Power
3 systems into a Newfoundland Network, the Supplement to the said Report
4 and any other supplementary, ancillary, related or further reports on that
5 subject matter.

6

7

8 A. Please refer to the attached.

- 1 Q. With respect to the diesel units at St. Anthony, Roddickton and Hawke's Bay,
2 provide the actual annual revenue in dollars from energy generated by these
3 units in each of the years since they were interconnected.
4
5
6 A. Please see the response to IC-148 (Revised).

1 Q. Provide an explanation, including specific dollar amounts, of how the
2 changes in bulk metering for bulk deliveries to Hydro's Rural Interconnected
3 Customers affect the assignment of costs to Rural Interconnected and other
4 customers in 2002.

5

6 A. Under Hydro's rate proposal, the generation and associated transmission
7 assets on the Great Northern Peninsula have been assigned as Common.
8 The Rural bulk metering points, determined in conjunction with the asset
9 allocation, reflect the point at which demand and energy from the common
10 grid are provided to serve Rural customers. As a result, bulk metering points
11 are located throughout the Great Northern Peninsula.

12

13 If the transmission assets on the Great Northern Peninsula were to remain
14 assigned Rural Sub-Transmission, the supply point from the common grid for
15 Rural bulk metering would be Deer Lake. Under this scenario, transmission
16 demand and energy amounts for Rural are higher by virtue of the fact that
17 transmission losses on the Great Northern Peninsula are included in the
18 Rural bulk amounts.

19

20 Please refer to the attached schedule for the cost impacts.

NEWFOUNDLAND AND LABRADOR HYDRO
2002 Forecast Cost of Service
Comparison of IC-221: GNP Losses Allocated to Rural

1		2			3			4			5			6			7		
		Revenue Requirement Before Deficit and Revenue Credit Allocation						Revenue Requirement After Deficit and Revenue Credit Allocation											
1 No.	Rate Class	GNP Losses to Rural			Proposed JAB-1			Difference			GNP Losses to Rural			Proposed JAB-1			Difference		
Total System																			
1	Newfoundland Power	190,772,523			191,058,434			285,911			213,844,071			213,815,455			(28,616)		
2	Island Industrial	50,089,128			50,162,971			73,843			50,273,080			50,346,678			73,598		
3	Labrador Industrial	3,084,575			3,084,575			-			3,084,575			3,084,575			-		
4	CFB - Goose Bay Secondary	138,430			138,430			-			2,991,483			2,991,483			-		
5	Rural Labrador Interconnected	9,956,042			9,956,042			-			10,394,955			10,349,973			(44,982)		
Rural Deficit Areas																			
6	Island Interconnected	37,108,250			36,748,497			(359,754)			31,639,918			31,639,918			-		
7	Island Isolated	7,868,273			7,868,273			-			1,277,117			1,277,117			-		
8	Labrador Isolated	17,327,951			17,327,951			-			4,205,660			4,205,660			-		
9	L'Anse au Loup	2,501,812			2,501,812			-			1,136,125			1,136,125			-		
10	Subtotal	64,806,286			64,446,532			(359,754)			38,258,820			38,258,820			-		
11	Total	318,846,984			318,846,984			0			318,846,984			318,846,984			0		
12	Deficit										26,517,511			26,158,078			(359,433)		

- 1 Q. Further to IC 31, please provide a complete listing of the assets which were
2 specifically assigned to each Industrial Customer during the years in question
3 and a breakdown of costs in respect of each asset.
4
- 5 A. Please refer to the attached.

NEWFOUNDLAND AND LABRADOR HYDRO
Details of Specifically Assigned Charges: 1998/1999 (\$)

	Total	Operating & Maintenance			Depreciation			Expense Credits	Interest & Gain/Loss Fixed Assets	Margin	Deficit	
		Transmsn Lines	Terminal Stations	Admin & General	Transmsn Lines	Terminal Stations	General					
Abitibi - Grand Falls:												
1	AGF - Frequency Converter Terminal Station	3,047	0	697	555	0	91	31	(4)	1,121	196	359
2	AGF - Metering Equipment	1,122	0	436	347	0	3	1	(2)	175	31	132
3	AGF - Stoney Brook (Metering)	906	0	123	98	0	23	8	(1)	467	82	107
4	Total Abitibi - Grand Falls	5,075	0	1,256	1,000	0	117	39	(7)	1,763	309	597
Abitibi - Stephenville:												
5	ASV - TL 238 SVL to SVL Abitibi	20,569	2,499	0	2,293	549	0	185	(12)	10,749	1,884	2,421
6	ASV - SVL Abitibi	4,353	0	683	543	0	307	103	(4)	1,879	329	512
7	ASV - SVL Stephenville Terminal Station	102,869	0	13,461	10,714	0	5,817	1,958	(70)	50,101	8,781	12,109
8	Total Abitibi - Stephenville	127,792	2,499	14,143	13,550	549	6,124	2,246	(85)	62,729	10,994	15,043
Corner Brook Pulp and Paper:												
9	CBPP - System Spares	7,778	0	1,058	842	0	167	56	(6)	4,037	708	916
10	CBPP - Metering Equipment	838	0	114	91	0	12	4	(1)	441	77	99
11	CBPP - Massey Drive Terminal Station (Metering)	3,218	0	467	372	0	370	125	(2)	1,283	225	379
12	Total Corner Brook Pulp and Paper	11,834	0	1,640	1,305	0	549	185	(9)	5,761	1,010	1,393
North Atlantic Refining:												
13	NARL - TL207 Sunnyside / Come By Chance	51,081	6,225	0	5,711	2,463	0	829	(29)	25,415	4,454	6,013
14	NARL - TL237 Western Avalon / Come By Chance	51,081	6,225	0	5,711	2,463	0	829	(29)	25,415	4,454	6,013
15	NARL - Come By Chance	221,281	0	30,909	24,602	0	19,683	6,624	(161)	96,638	16,937	26,047
16	Total North Atlantic Refining	323,443	12,451	30,909	36,024	4,926	19,683	8,282	(219)	147,469	25,846	38,073

1 Q. Provide the calculation shown in answer to IC-34(b) using only the revenue
2 requirement and the Transmission Energy Output with respect to the lines
3 actually used for wheeling of power and energy.

4
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6 A. The transmission and terminal facilities used for wheeling power and energy
7 in this instance consists largely of the 230 kV system between Grand Falls
8 and Stephenville. The transmission energy output of those lines is
9 dependent upon the load variations of the interconnected customers,
10 variations in generation output within that portion of the system and operating
11 status of the transmission lines. Given that energy metering is not applied to
12 each individual transmission line and the variability of customer loads,
13 generation and system configuration throughout a year, the determination of
14 transmission energy output for this portion of the Island Interconnected
15 System would be impractical.

1 Q. Provide the 2002 Forecast Cost of Service assuming that all assets north of
2 Deer Lake on the Great Northern Peninsula are specifically assigned to
3 Hydro Rural.

4

5 A. Please refer to the response to IC-87 Revised.

1 Q. With respect to IC-30, Table 5, provide the detailed calculations supporting
 2 the amounts shown under the heading “Revenue – Non-Firm” and the
 3 heading “RSP (Using 2001 Rate)”.

4
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6 A. The following tables provide the detailed calculations supporting the amounts
 7 shown under the heading “Revenue – Non-Firm” and the heading “RSP
 8 (Using 2001 Rate)”:

Revenue - Non-Firm at Existing 2001 Rates:

Customer	Billing Demand (KW)	\$ per KW	Demand Charge	Energy (KWh)	\$ per KWh	Energy Charge	Total Non-Firm Billing
ACI - Grand Falls	0	7.36	\$0	0	0.01934	\$0	\$0
ACI - Stephenville	12,000	7.36	\$88,320	4,962,000	0.01934	\$95,965	\$184,285
Corner Brook P&P	14,000	7.36	\$103,040	6,782,000	0.01934	\$131,164	\$234,204
North Atlantic Refining	0	7.36	\$0	0	0.01934	\$0	\$0

Revenue - Non-Firm at Proposed 2002 Rates:

Customer	Billing Demand (KW)	\$ per KW	Demand Charge	Energy (KWh)	\$ per KWh	Energy Charge	Total Non-Firm Billing
ACI - Grand Falls	0	1.5	\$0	0	N/A	\$0	\$0
ACI - Stephenville	12,000	1.5	\$18,000	4,962,000	0.05126	\$254,352	\$272,352
Corner Brook P&P	14,000	1.5	\$21,000	6,782,000	0.05126	\$347,638	\$368,638
North Atlantic Refining	0	1.5	\$0	0	N/A	\$0	\$0

RSP (Using 2001 Rate) - Existing

Customer	Firm Energy (kWh)	RSP Rate per kWh	RSP Charge - Firm	Non - Firm Energy (kWh)	RSP Rate per kWh	RSP Charge - Non-Firm	Total RSP
ACI - Grand Falls	146,290,000	\$0.00280	\$409,612	0	\$0.00280	\$0	\$409,612
ACI - Stephenville	555,067,000	\$0.00280	\$1,554,188	4,962,000	\$0.00280	\$13,894	\$1,568,081
Corner Brook P&P	400,049,000	\$0.00280	\$1,120,137	6,782,000	\$0.00280	\$18,990	\$1,139,127
North Atlantic Refining	233,600,000	\$0.00280	\$654,080	0	\$0.00280	\$0	\$654,080

RSP (Using 2001 Rate) - Proposed

Customer	Firm Energy (kWh)	RSP Rate per kWh	RSP Charge - Firm	Non - Firm Energy (kWh)	RSP Rate per kWh	RSP Charge - Non-Firm	Total RSP
ACI - Grand Falls	146,290,000	\$0.00280	\$409,612	0	N/A	\$0	\$409,612
ACI - Stephenville	555,067,000	\$0.00280	\$1,554,188	4,962,000	N/A	\$0	\$1,554,188
Corner Brook P&P	400,049,000	\$0.00280	\$1,120,137	6,782,000	N/A	\$0	\$1,120,137
North Atlantic Refining	233,600,000	\$0.00280	\$654,080	0	N/A	\$0	\$654,080

1 Q. As to IC-86, item 6, provide complete details of all efforts made to procure
2 the use of the proprietary information for the purposes of this hearing.

3

4

5 A. The publisher, Regulatory Research Associates, Inc., was contacted for
6 permission to copy and distribute the requested material but we were refused
7 such permission. See copy of letter attached.

- 1 Q. Provide a copy of Hydro's answer to IC-8 from the 1995 Isolated Rural Rate
2 Hearing.
3
4
5 A. Please see the attached.

1 Q. What is the current average cost per kilowatt hour paid by customers in the
2 St. Anthony/Roddickton area?

3

4

5 A. Customers in the St. Anthony/Roddickton area are part of the Island
6 Interconnected System. Based on the 2000 actuals, the average revenue
7 per kilowatt hour for Rural Island Interconnected customers is 8.6 ¢/kWh.

- 1 Q. Provide a copy of Hydro's response to IC-14 from the 1995 Isolated Rural
2 Rate Hearing.
3
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5 A. Please see the attached.

- 1 Q. Provide the forecast deficit for the Rural Interconnected System if all
2 transmission, generation and distribution costs on the Great Northern
3 Peninsula were specifically assigned to Hydro's Island Interconnected
4 Customer class. If this information appears in any Cost of Service Study that
5 has been already provided, identify the page and line number where the
6 information appears.
7
- 8 A. The forecast deficit for Rural Island Interconnected would be \$35.8 M.
9 Please refer to IC-87 Revised, Page 3 of 94, Line 10, Column 5.

- 1 Q. Provide copies of NLH1, NLH2, NLH3, and NLH4 from the 1995 Isolated
2 Rural Rate Hearing.
3
4
5 A. Please see the attached.

- 1 Q. Provide a copy of Hydro's answer to IC-38 from the 1995 Isolated Rural Rate
2 Hearing.
3
4
5 A. Please see the attached.

- 1 Q. Provide a copy of Hydro's answer to IC-38 from the 1995 Isolated Rural Rate
2 Hearing.
3
4
5 A. Please see the attached.

- 1 Q. What was the actual cost of the St. Anthony/Roddickton Interconnection?
- 2
- 3
- 4 A. Please refer to the response to CA-35.

1 Q. Provide a copy of Hydro's document "An Estimate of the Financial Impacts
2 of Interconnected Rates in Newfoundland and Labrador, Hydro's Isolated
3 Rural Areas (Revised)" dated October 1994.

4

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6 A. Please see the attached.