

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)												