

1 Q. Provide detailed calculations of the derivation of the average energy rate and
 2 average demand charge for Industrial Customers as set out in the response
 3 to IC 206(2).

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5 A. The rates used were based on Industrial Rates as outlined in the table below:

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Industrial Rate (IC) as of July 1				
	Column 1	Column 2	Column 3	Column 4
	Energy ¹ (¢ per kWh)	Demand ² (\$ per KW)	Average ³ Rate	Industrial Rate ⁴ Index
1991	2.560	8.25	3.723	1.000
1992	2.560	8.25	3.723	1.000
1993	2.333	8.25	3.496	0.939
1994	2.333	8.25	3.496	0.939
1995	2.265	8.25	3.428	0.921
1996	2.320	8.25	3.483	0.936
1997	2.403	8.25	3.566	0.958
1998	2.482	8.25	3.645	0.979
1999	2.654	8.25	3.817	1.025
2000	2.284	7.36	3.321	0.892
2001F	2.214	7.36	3.251	0.873
2002F	2.867	7.01	3.855	1.036
2003F ⁵			4.130	1.109
2004F ⁵			4.390	1.179
2005F ⁵			4.310	1.158

Notes:

1. Energy is the actual Industrial Rate as of July 1 each year inclusive of all adjustments, including RSP.
2. Demand is the actual Industrial Rate as of July 1 each year.
3. Average Rate =

$$\text{Column 1} + (\text{Column 2} \div ((365 \text{ days} \times 24 \text{ hours} \times 81\% \text{ Load factor}^*) \div 1000))$$
 * Median industrial load factor of 81% for the period used to express energy rate.
4. Industrial Rate Index = Current Year Average Rate ÷ 1991 Average rate
5. 2003F to 2005F average rates were extracted from page 14 of the Newfoundland and Labrador Hydro Financial Plan as filed in response to IC-98.