

1 Q. Further to the response to IC-216:

2

3 a) Provide a detailed explanation as to how the Column 4 Rural Deficit
4 Ratios are calculated showing all numbers, sources and calculations,
5 with a complete exposition of how the revenue requirement ratios are
6 adjusted and manipulated, step by step, to produce the figures shown.
7 How often are these ratios re-calculated? Explain in detail why the
8 1992 COS ratios differ from those shown in IC-216.

9

10 b) Show the step-by-step derivation of the year to date balance on the
11 April 2001 report before interest of \$13.613 million for Retail [NP] and
12 \$5.899 million for Industrial, including the Load Variance
13 considerations and the Rural Rate Adjustment. Extend the numbers
14 shown on p. 2 of 2 of IC-216 to show fully how the final result
15 emerges.

16

17 A. Further to the response to IC-216:

18

19 a) Please see attached Page 2. As IC-216 requested information on
20 only a partial allocation, the rural deficit percentages omitted the re-
21 allocation of Test Year costs, as included in the detailed calculation
22 attached on Pages 3-6. The revised total ratios are shown on Page 5.

23

24 b) Please see attached Pages 3-6.

**Newfoundland and Labrador Hydro
Rate Stabilization Plan
April, 2001
Summary Plan Balances (\$)**

	1	2	3	
	Costs	Revenues	Balance	Comments
Newfoundland Power	18,286,251	4,673,408	13,612,843	Costs from Page 3, Revenue from Page 4
Island Industrial	5,949,742	50,394	5,899,348	
Subtotal	24,235,993	4,723,802	19,512,191	
Plus Labrador Interconnected Allocation	(30,341)			
Total Annual Activity, Excluding Interest	24,205,652	4,723,802	19,512,191	

Newfoundland and Labrador Hydro
RSP Customer Splits
April, 2001

Line No.	1	2	3	4	<u>Source/Comments</u>
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	
FUEL AND RURAL RATE ALTERATION					
Year-to-Date Activity					
1	6,064,948	10,782,061	17,420,144	23,710,849	From RSP report
2	(70,674)	(137,153)	(201,748)	494,803	From RSP report
3	<u>5,994,274</u>	<u>10,644,908</u>	<u>17,218,396</u>	<u>24,205,652</u>	
Allocation: Fuel and Revised Test Year Costs Before Rural Deficit Allocation					
4	4,037,941	7,093,834	11,837,782	16,608,011	From Page 5, Row 12
5	1,659,291	2,958,201	4,344,910	5,369,091	From Page 5, Row 13
6	297,043	592,873	1,035,704	2,228,549	From Page 5, Row 14
7	<u>5,994,275</u>	<u>10,644,908</u>	<u>17,218,396</u>	<u>24,205,651</u>	
Allocation: Bulk Rural Fuel and Rural Rate Alteration					
8	185,878	377,425	723,410	1,678,240	From Page 5, Row 16
9	134,382	252,093	365,689	580,651	From Page 5, Row 17
10	(23,218)	(36,645)	(53,395)	(30,341)	From Page 5, Row 18
11	<u>297,042</u>	<u>592,873</u>	<u>1,035,704</u>	<u>2,228,550</u>	
Year-to-Date Customer Balances					
12	4,223,819	7,471,259	12,561,192	18,286,251	Row 4 + Row 8
13	1,793,673	3,210,294	4,710,599	5,949,742	Row 5 + Row 9
14	(23,218)	(36,645)	(53,395)	(30,341)	Row 10
15	<u>5,994,274</u>	<u>10,644,908</u>	<u>17,218,396</u>	<u>24,205,652</u>	

**Newfoundland and Labrador Hydro
Rate Stabilization Plan
April, 2001
Revenue Allocation**

	1	2	3	4	5	
	Current Year Sales (MWh)	Test Year Sales (MWh)	Variance (MWh) (Col 1- Col 2)	Energy Rate	Revenue Variation \$ (Col 3 * Col 4* 1000)	Comments
Newfoundland Power	1,873,243.0	1,770,100.0	103,143.0	0.04531	4,673,408	To Page 2, Column 2
Industrial Customers	418,705.7	416,100.0	2,605.7	0.01934	50,394	To Page 2, Column 2
					<u>4,723,803</u>	

**Newfoundland and Labrador Hydro
Rate Stabilization Plan
April, 2001
Cost Allocation**

Line No.	1	2	3			
Costs to be Allocated						
	Production Demand	Production & Transmission Energy	Transmission Demand	Distribution and Accounting Customer Costs	Specifically Assigned Customer Costs	Comments
1	90,639,495	105,335,742	26,860,274	14,415,839	3,216,849	1992 Cost of Service
2		23,710,849				2000 RSP activity, excl. Rural Rate Alteration and Load Variation Revenue
3	90,639,495	129,046,591	26,860,274	14,415,839	3,216,849	

Allocation Ratios:	1	2	3			
	Generation AED	MWh at Generator	Transmission AED	Customer	Detailed Analysis - Test Year	Comments
4	0.77816	0.73455	0.77727			0.6983 MWh, Generation and Transmission From Page 6
5	0.14895	0.21083	0.14962			0.3017 MWh, Generation and Transmission From Page 6
6	0.07289	0.05463	0.07311	1.00000		MWh, Generation and Transmission From Page 6
7	1.00000	1.00000	1.00000	1.00000	1.00000	

Allocation: Costs:	1	2	3	4	5	
	Production Demand	Production & Transmission Energy	Transmission Demand	Distribution and Accounting Customer Costs	Specifically Assigned Customer Costs	Comments
8	70,532,165	94,790,744	20,877,739	-	2,246,429	Row 3 * Row 4
9	13,500,410	27,206,499	4,018,861	-	970,420	Row 4 * Row 5
10	6,606,919	7,049,346	1,963,674	14,415,839	-	Row 5 * Row 6
11	90,639,495	129,046,590	26,860,274	14,415,839	3,216,849	

	5	6	7	8	9	
	Current Year Allocated Costs - Before Deficit (Rows 8 to 10)	Current Year Allocated Costs - Before Deficit	Current Year Customer Activity (Col 5-Col 6)	Rural Rate Alteration, Other Isolated System Cost re-allocation	Total (Col 7 + Col 8)	Comments
12	188,447,078	171,839,067	16,608,011		16,608,011	To Page 3, Row 4
13	45,696,190	40,327,099	5,369,091		5,369,091	To Page 3, Row 5
14	30,035,779	28,302,033	1,733,746	494,803	2,228,549	To Page 3, Row 6
15	264,179,047	240,468,199	23,710,848	494,803	24,205,651	

Allocation: Rural Costs and Rural Rate Alteration	1	2	3	
	Current Year Total Cost Allocation	Current Year Direct Customer Cost Allocation	Rural Deficit Allocation	Comments
16	18,286,251	16,608,011	1,678,240	To Page 3, Row 8
17	5,949,742	5,369,091	580,651	To Page 3, Row 9
18	(30,341)		(30,341)	To Page 3, Row 10
19	24,205,652	21,977,102	2,228,550	

**Newfoundland and Labrador Hydro
Rate Stabilization Plan
April, 2001
Calculation of Allocation Factors Allocation**

Line
No.

MWh at Generation		1	2	4	4	5	
		Current Year Sales MWh	Test Year May - Dec Sales	Losses	MWh at Generation (Col 1 + Col 2 + Col 3)	Allocation Percentage	Comments
1	Newfoundland Power	1,873,243	2,514,000	111,807	4,499,050	0.73455	To Page 5, Row 4
2	Industrial Customers	418,706	833,100	39,496	1,291,302	0.21083	To Page 5, Row 5
3	Rural Island Interconnected	143,940	182,300	8,344	334,584	0.05463	To Page 5, Row 6
4	Total	2,435,889	3,529,400	159,647	6,124,936	1.00000	

Generation AED - Current Year

		1	2	3	4	5	6	7	8	
				<u>Average Demand</u>			<u>Excess Demand</u>			<u>Total</u>
		Sales + Losses for AED MWh	Class NCP at Generator	Amount	Weighted	Amount	Weighted	Amount	Weighted	Comments
5	Newfoundland Power	4,499,050	945,785	513,590	0.4364	432,195	0.3418	915,878	0.77816	To Page 5, Row 4
6	Industrial Customers	1,291,302	177,475	146,127	0.1242	31,348	0.0248	175,306	0.14895	To Page 5, Row 5
7	Rural Island Interconnected	334,584	89,331	38,195	0.0325	51,137	0.0404	85,793	0.07289	To Page 5, Row 6
8	Total	6,124,936	1,212,591	697,912	0.593	514,679	0.407	1,176,977	1.0000	

Transmission AED - Current Year

		1	2	3	4	5	6	7	8	
				<u>Average Demand</u>			<u>Excess Demand</u>			<u>Total</u>
		Sales + Losses for AED MWh	Class NCP at Transmission	Amount	Weighted	Amount	Weighted	Amount	Weighted	Comments
9	Newfoundland Power	4,391,566	913,209	501,320	0.4411	411,888	0.3361	883,321	0.77727	To Page 5, Row 4
10	Industrial Customers	1,249,495	172,179	142,636	0.1255	29,542	0.0241	170,035	0.14962	To Page 5, Row 5
11	Rural Island Interconnected	326,591	86,665	37,282	0.0328	49,383	0.0403	83,082	0.07311	To Page 5, Row 6
12	Total	5,967,652	1,172,053	681,239	0.5995	490,813	0.4005	1,136,437	1.0000	