

Direct Evidence of Sam Banfield
October 31, 2003

1 Q. What is your position with Newfoundland and Labrador Hydro?

2

3 A. I am the Director of Customer Services of Newfoundland and Labrador
4 Hydro.

5

6 Q. Could you please indicate how Hydro's present proposal for rates on the
7 Labrador Interconnected System came about?

8

9 A. Prior to Hydro's 2001 General Rate Application (GRA) there were three sets
10 of rates on the Labrador Interconnected System; rates for Happy Valley-
11 Goose Bay, Wabush and Labrador City. The Board in its Order No. P.U.7
12 (2002-2003) agreed with the proposal to implement a common rate structure
13 on the Labrador Interconnected System and to phase in uniform rates over a
14 five-year period. This direction was consistent with the recommendations of
15 the Board in its 1993 Report on Hydro's Cost of Service Methodology.

16

17 Q. How are the costs for the Labrador Interconnected System determined?

18

19 A. As a first step in the rate design process Hydro establishes the proper costs
20 for each of the systems for which it prepares a Cost of Service (COS) study.
21 The Labrador Interconnected System, for instance, would not attract any
22 costs for the facilities that are only required to serve customers in other
23 systems for example Granite Canal or the Holyrood thermal plant on the
24 Island Interconnected System or the diesel plants that serve the isolated
25 systems. The Labrador Interconnected System would, however, be
26 assigned costs related to facilities that, although they are located on the
27 Island Interconnected system, are used and useful in providing service to
28 the Labrador Interconnected System, for example the meter testing facilities
29 and the customer communication center in Hydro Place.

1 Q. Evidence was filed on behalf of Hydro with its Application entitled Rates
2 and Customer Services which included evidence on the proposed rates for
3 the Labrador Interconnected System. This application was amended most
4 recently on October 31, 2003. Please outline the principal changes in
5 Hydro's revised revenue requirement as it affects the Labrador
6 Interconnected System.

7
8 A. As a result of the update in Hydro's application, two items in particular
9 have had a significant impact on the proposed rates for the Labrador
10 Interconnected System. First, Hydro's forecast 2004 costs related to the
11 Wabush terminal station have changed from \$106,235, as contained in
12 Hydro's original filing, to \$438,020. The \$106,235 was based on normal
13 maintenance and did not include additional costs that are required for
14 control and monitoring equipment in the Wabush terminal station.
15 Secondly, the revenue credit associated with 5 Wing Goose Bay is
16 reduced in the October 31, 2003 revision from the August 12, 2003 filing.
17 The revised load forecast from 5 Wing Goose Bay has reduced the load
18 marginally from 77.2 GWh to 75.1 GWh. The price paid by 5 Wing Goose
19 Bay for its purchases is based on diesel fuel and with the recent lower fuel
20 price the forecast revenue from the sale of secondary energy to 5 Wing
21 Goose Bay is less than had been included in Hydro's August 12, 2003
22 filing. This results in less forecast revenue from this sale and thus a lower
23 secondary energy credit for the Labrador Interconnected System of
24 \$253,190. The combined impact of these two changes is to increase the
25 revenue requirement by \$584,975 from the August 12, 2003 filing which is
26 offset by other decreases resulting in a net impact for Rural Labrador
27 Interconnected customers of \$424,116.

1 Q. How does this increase in the revenue requirement for the Labrador
2 Interconnected System affect the proposed rates for customers on this
3 system?
4

5 A. As a result of this revenue requirement, rates on the Labrador
6 Interconnected System will increase on average by 11% as compared to
7 the previously filed 7.2%. The impact of this average rate increase on
8 each customer will vary, depending on the individual's load consumption
9 pattern.
10

11 Q. What are the impacts on the various rate classes of this average
12 increase?
13

14 A. The tables below outline the revenue at existing and proposed rates
15 including the average rate increase for the various customer classes on
16 the Labrador Interconnected System and for Labrador West and the
17 Happy Valley-Goose Bay area.
18

19 Table 1 shows the impact of the proposed rate changes for 2004 on the
20 total Labrador Interconnected System, while tables 2 and 3 show the
21 effects of the proposed 2004 rate increase on the Labrador West and
22 Happy Valley-Goose Bay areas, respectively.

Table 1
Comparison of Revenue at Existing and Proposed Rates
Rural Labrador Interconnected
Based on Full Year 2004

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Rural Labrador Interconnected				
Domestic	5,943,362	6,617,798	674,436	11.3%
GS 2.1 0 - 10 kW	179,494	229,758	50,264	28.0%
GS 2.2 10 - 100 kW	1,783,526	1,975,057	191,531	10.7%
GS 2.3 110 - 1000 kVA	2,147,674	2,448,836	301,162	14.0%
GS 2.4 Over 1000 kVA	1,613,034	1,660,847	47,813	3.0%
Street & Area Lighting	160,896	196,440	35,544	22.1%
Labrador Interconnected Total	\$11,827,986	\$13,128,736	\$1,300,750	11.0%

Table 2
Comparison of Revenue at Existing and Proposed Rates
Labrador West
Based on Full Year 2004

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Labrador West				
Domestic	2,410,387	3,084,824	674,437	28.0%
GS 2.1 0 - 10 kW	56,679	72,560	15,881	28.0%
GS 2.2 10 - 100 kW	684,250	875,781	191,531	28.0%
GS 2.3 110 - 1000 kVA	1,074,504	1,375,665	301,161	28.0%
GS 2.4 Over 1000 kVA	218,150	265,963	47,813	21.9%
Street & Area Lighting	43,044	64,092	21,048	48.9%
Labrador West Total	\$4,487,014	\$5,738,885	\$1,251,871	27.9%

Table 3
Comparison of Revenue at Existing and Proposed Rates
Happy Valley/Goose Bay
Based on Full Year 2004

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Happy Valley-Goose Bay				
Domestic	3,532,974	3,532,974	0	0.0%
GS 2.1 0 - 10 kW	122,815	157,198	34,383	28.0%
GS 2.2 10 - 100 kW	1,099,277	1,099,277	0	0.0%
GS 2.3 110 - 1000 kVA	1,073,170	1,073,170	0	0.0%
GS 2.4 Over 1000 kVA	1,394,884	1,394,884	0	0.0%
Street & Area Lighting	117,852	132,348	14,496	12.3%
Labrador East Total	\$7,340,972	\$7,389,851	\$48,879	0.7%

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Table 4 outlines the total effect of the phased in rates in 2008 for the total Labrador Interconnected System, while tables 5 and 6 show the effect of the phased in rates for the Labrador West and Happy Valley-Goose Bay areas respectively.

Table 4
Comparison of Revenue at Existing and Proposed Rates
Rural Labrador Interconnected
Based on Full Year 2008

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Rural Labrador Interconnected				
Domestic	5,943,362	9,411,309	3,467,947	58.3%
GS 2.1 0 - 10 kW	179,494	295,540	116,046	64.7%
GS 2.2 10 - 100 kW	1,783,526	1,844,771	61,245	3.4%
GS 2.3 110 - 1000 kVA	2,147,674	2,239,726	92,052	4.3%
GS 2.4 Over 1000 kVA	1,613,034	1,317,190	(295,844)	-18.3%
Street & Area Lighting	160,896	238,404	77,508	48.2%
Labrador Interconnected Total	\$11,827,986	\$15,346,940	\$3,518,954	29.8%

Table 5
Comparison of Revenue at Existing and Proposed Rates
Labrador West
Based on Full Year 2008

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Labrador West				
Domestic	2,410,387	5,812,176	3,401,789	141.1%
GS 2.1 0 - 10 kW	56,679	111,101	54,422	96.0%
GS 2.2 10 - 100 kW	684,250	922,691	238,441	34.8%
GS 2.3 110 - 1000 kVA	1,074,504	1,400,556	326,052	30.3%
GS 2.4 Over 1000 kVA	218,150	269,622	51,472	23.6%
Street & Area Lighting	43,044	106,056	63,012	146.4%
Labrador West Total	\$4,487,014	\$8,622,202	\$4,135,188	92.2%

Table 6
Comparison of Revenue at Existing and Proposed Rates
Happy Valley/Goose Bay
Based on Full Year 2008

	Existing Rates \$	Proposed Rates \$	Change \$	Change %
Happy Valley-Goose Bay				
Domestic	3,532,974	3,599,133	66,159	1.9%
GS 2.1 0 - 10 kW	122,815	184,439	61,624	50.2%
GS 2.2 10 - 100 kW	1,099,277	922,080	(177,197)	-16.1%
GS 2.3 110 - 1000 kVA	1,073,170	839,170	(234,000)	-21.8%
GS 2.4 Over 1000 kVA	1,394,884	1,047,568	(347,316)	-24.9%
Street & Area Lighting	117,852	132,348	14,496	12.3%
Labrador East Total	\$7,340,972	\$6,724,738	-\$616,234	-8.4%

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3 Q. Will all customers in the customer classes in the previous tables receive
4 the same increases?

1 A. No, they will not. As a consequence of the phasing in of uniform rates,
2 impacts on customers in Labrador West and the Happy Valley/Goose Bay
3 area will vary. The attached Schedules I and II outline the customer
4 impacts of the proposed rate changes for 2004 and 2005 to 2008,
5 respectively.

6

7 Q. How will these rate adjustments be implemented?

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9 A. As noted previously, Hydro is proposing that uniform rates be phased in
10 over a five-year period. As well, in designing rates Hydro had originally
11 proposed that rate increases to any group of customers would be held to
12 approximately 20% by use of the credit from 5 Wing Goose Bay. However
13 with the increase in revenue requirement as outlined previously and fully
14 using the 5 Wing Goose Bay credit in 2004, this 20% has had to be
15 increased to 28%. This is still significantly below the amount that would
16 have been required to introduce uniform rates in a single year.

17

18 Q. Could you please outline the use of the 5 Wing Goose Bay credit in
19 designing rates on the Labrador Interconnected System?

20

21 A. Yes, as a result of secondary sales to 5 Wing Goose Bay, Hydro receives
22 approximately 2.5 million dollars in net revenue. The Board in its Order
23 No. P.U. 7(2002-2003) ordered Hydro to phase out the application of this
24 credit to rates on the Labrador Interconnected System and apply it to the
25 rural deficit in a time frame consistent with the five-year phase in of
26 uniform rates. Table 7 below outlines this phase out of the secondary
27 sales credit.

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Table 7

CFB Goose Bay Secondary Revenue Credit Applied to Rural Labrador Interconnected Customers Rates					
<u>Description</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Secondary Credit Applied	\$2,504,056	\$2,058,334	\$1,910,595	\$1,026,663	\$0
Percentage Applied	100%	82.2%	76.3%	41.0%	0%

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4 Q. You stated that uniform rates would be phased in over a five-year period.
 5 How is Hydro planning to introduce the rate changes for the years 2005 to
 6 2008?

7

8 A. In this application, Hydro is proposing that there be automatic rate
 9 adjustments on January 1 of each year subsequent to 2004 until the
 10 uniform rate structure is achieved in 2008. Table 8 outlines the target rate
 11 recoveries that Hydro requires in order to achieve the phase in of uniform
 12 rates. A summary of the resulting rates is attached as Schedule III.

Table 8

Target Rate Recoveries							
Labrador Interconnected System							
	Current	Target	Target Rate Level ⁽¹⁾				
	Rate	Rate					
<u>Customer</u>	<u>Recovery</u>	<u>Recovery</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Happy Valley/Goose Bay							
Domestic	100%	100%					
General Service 2.1	66%	100%	76%	86%	100%		
General Service 2.2	120%	100%	120%	113%	100%		
General Service 2.3	134%	100%	134%	121%	100%		
General Service 2.4	133%	100%	133%	121%	100%		
Street and Area Lighting	95%	100%	100%	100%			
Labrador West							
Domestic	41%	100%	53%	62%	72%	85%	100%
General Service 2.1	51%	100%	66%	73%	80%	89%	100%
General Service 2.2	74%	100%	89%	100%			
General Service 2.3	77%	100%	92%	100%			
General Service 2.4	82%	100%	98%	100%			
Street and Area Lighting	38%	100%	60%	70%	80%	90%	100%
(1) The target rate level is based on each rate class' appropriate rate being 100%. The appropriate rate is calculated based on the cost recovery targets plus the rate class' portion of the rural deficit.							

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Happy Valley/Goose Bay
General Service 2.1HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	0% to 7%	7% to 14%	14% to 21%	21% to 28%	28% to 34%	Total
\$0 to \$101	24.51%	7.35%	10.78%	17.16%		59.80%
\$101 to \$202				9.80%	13.73%	23.53%
\$202 to \$303					12.25%	12.25%
\$303 to \$404					2.94%	2.94%
\$404 to \$504					1.47%	1.47%
Total:	24.51%	7.35%	10.78%	26.96%	30.39%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 226.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Labrador West
Domestic 1.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	21% to 25%	25% to 29%	29% to 33%	33% to 36%	36% to 40%	Total
\$12 to \$85	0.03%	8.54%	11.37%	1.40%	0.66%	21.99%
\$85 to \$158		22.26%				22.26%
\$158 to \$231		44.83%				44.83%
\$231 to \$304		10.52%				10.52%
\$304 to \$377		0.40%				0.40%
Total:	0.03%	86.55%	11.37%	1.40%	0.66%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 4245.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Labrador West
General Service 2.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	0% to 7%	7% to 14%	14% to 21%	21% to 29%	29% to 37%	Total
\$0 to \$88	26.32%	5.26%	10.53%	18.42%		60.53%
\$88 to \$176				8.77%	18.42%	27.19%
\$176 to \$264					6.14%	6.14%
\$264 to \$352					4.39%	4.39%
\$352 to \$438					1.75%	1.75%
Total:	26.32%	5.26%	10.53%	27.19%	30.70%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 132.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Labrador West
General Service 2.2W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	5% to 11%	11% to 17%	17% to 23%	23% to 29%	29% to 34%	Total
\$29 to \$524	0.49%	2.43%	11.65%	28.16%	10.19%	52.91%
\$524 to \$1019		0.49%	0.97%	11.65%	16.02%	29.13%
\$1019 to \$1514				4.85%	6.31%	11.17%
\$1514 to \$2009				0.97%	4.85%	5.83%
\$2009 to \$2502					0.97%	0.97%
<i>Total:</i>	0.49%	2.91%	12.62%	45.63%	38.35%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 235.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Labrador West
General Service 2.3W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	19% to 21%	21% to 24%	24% to 27%	27% to 30%	30% to 32%	Total
\$897 to \$7028	1.64%	4.92%	16.39%	40.98%	16.39%	80.33%
\$7028 to \$13159			1.64%	6.56%	4.92%	13.11%
\$13159 to \$19290				1.64%	1.64%	3.28%
\$19290 to \$25421					1.64%	1.64%
\$25421 to \$31554					1.64%	1.64%
Total:	1.64%	4.92%	18.03%	49.18%	26.23%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 68.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2004
Labrador West
General Service 2.4W

Change in Annual Costs

**Number of
Customers**

Dollar Change

Percentage Change

2

\$14,613 to \$21,017

21.86% to 22.74%

Note: This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Happy Valley/Goose Bay
General Service 2.1HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	0% to 2%	2% to 4%	4% to 6%	6% to 8%	8% to 10%	Total
\$0 to \$40	22.55%	7.35%	6.37%	17.16%	6.37%	59.80%
\$40 to \$80					23.04%	23.04%
\$80 to \$120					11.76%	11.76%
\$120 to \$160					3.92%	3.92%
\$160 to \$202					1.47%	1.47%
Total:	22.55%	7.35%	6.37%	17.16%	46.57%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 226.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Happy Valley/Goose Bay
General Service 2.2HV

Percentage Change in Annual Costs

Dollars Change in Annual Costs	-7% to -5%	-5% to -3%	-3% to -2%	-2% to -1%	-1% to 0%	Total
\$-651 to \$-521	0.91%					0.91%
\$-521 to \$-391	5.94%					5.94%
\$-391 to \$-261	14.16%					14.16%
\$-261 to \$-131	25.57%	0.46%				26.03%
\$-131 to \$0	40.64%	10.96%		0.91%	0.46%	52.97%
Total:	87.21%	11.42%	0.00%	0.91%	0.46%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 241.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Happy Valley/Goose Bay
General Service 2.3HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	-11% to -8%	-8% to -6%	-6% to -4%	-4% to -2%	-2% to 0%	Total
\$-10442 to \$-8354	4.44%					4.44%
\$-8354 to \$-6266	2.22%					2.22%
\$-6266 to \$-4178	2.22%					2.22%
\$-4178 to \$-2090	20.00%					20.00%
\$-2090 to \$0	55.56%	8.89%	2.22%	2.22%	2.22%	71.11%
Total:	84.44%	8.89%	2.22%	2.22%	2.22%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 48.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro Impact of Proposed Rates on Annual Electricity Costs for 2005 Happy Valley/Goose Bay General Service 2.4 HV		
<u>Change in Annual Costs</u>		
<u>Customers</u>	Dollar Change	Percentage Change
2	-\$96,865 to -\$13,166	-8.68% to -8.10%

Note: This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Labrador West
Domestic 1.1W

Percentage Change in Annual Costs

Dollars Change in Annual Costs	11% to 13%	13% to 14%	14% to 15%	15% to 17%	17% to 19%	Total
\$7 to \$69	0.03%	0.21%	0.55%	5.90%	15.34%	22.03%
\$69 to \$131					22.80%	22.80%
\$131 to \$193					44.57%	44.57%
\$193 to \$255					10.23%	10.23%
\$255 to \$316					0.37%	0.37%
Total:	0.03%	0.21%	0.55%	5.90%	93.31%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 4245.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Labrador West
General Service 2.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	0% to 3%	3% to 6%	6% to 9%	9% to 12%	12% to 14%	Total
\$0 to \$45	22.81%	7.89%	11.40%	18.42%		60.53%
\$45 to \$90				15.79%	11.40%	27.19%
\$90 to \$135					6.14%	6.14%
\$135 to \$180					4.39%	4.39%
\$180 to \$225					1.75%	1.75%
Total:	22.81%	7.89%	11.40%	34.21%	23.68%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 132.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Labrador West
General Service 2.2W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	1% to 2%	2% to 3%	3% to 4%	4% to 5%	5% to 7%	Total
\$7 to \$128	0.49%	0.97%	4.85%	17.48%	29.13%	52.91%
\$128 to \$249			0.97%	1.46%	26.70%	29.13%
\$249 to \$370				0.97%	10.19%	11.17%
\$370 to \$491					5.83%	5.83%
\$491 to \$614					0.97%	0.97%
<i>Total:</i>	0.49%	0.97%	5.83%	19.90%	72.82%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 235.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2005
Labrador West
General Service 2.3W

Percentage Change in Annual Costs

**Dollars
Change in
Annual Costs**

**1% to
2%**

\$74 to \$581	80.33%
\$581 to \$1088	13.11%
\$1088 to \$1595	3.28%
\$1595 to \$2102	1.64%
\$2102 to \$2607	1.64%

Total:

100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 68.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro Impact of Proposed Rates on Annual Electricity Costs for 2005 Labrador West General Service 2.4W		
<u>Change in Annual Costs</u>		
<u>Customers</u>	Dollar Change	Percentage Change
2	\$1,118 to \$1,608	1.37% to 1.42%

Note: This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2006
Happy Valley/Goose Bay
General Service 2.1HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	7% to 8%	8% to 9%	9% to 10%	10% to 11%	11% to 13%	Total
\$11 to \$42		23.04%	8.33%	10.78%	17.16%	59.31%
\$42 to \$73	19.12%	4.41%				23.53%
\$73 to \$104	12.75%					12.75%
\$104 to \$135	2.94%					2.94%
\$135 to \$166	1.47%					1.47%
<i>Total:</i>	36.27%	27.45%	8.33%	10.78%	17.16%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 226.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2006
Happy Valley/Goose Bay
General Service 2.2HV

Percentage Change in Annual Costs

Dollars Change in Annual Costs	-13% to -10%	-10% to -7%	-7% to -5%	-5% to -3%	-3% to -1%	Total
\$-1189 to \$-952	0.92%					0.92%
\$-952 to \$-715	5.96%					5.96%
\$-715 to \$-478	14.22%					14.22%
\$-478 to \$-241	25.69%	0.46%				26.15%
\$-241 to \$-5	34.86%	14.68%	1.83%		1.38%	52.75%
Total:	81.65%	15.14%	1.83%	0.00%	1.38%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 241.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2006
Happy Valley/Goose Bay
General Service 2.3HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	-17% to -13%	-13% to -9%	-9% to -6%	-6% to -3%	-3% to 0%	Total
\$-14511 to \$-11609	4.44%					4.44%
\$-11609 to \$-8707	2.22%					2.22%
\$-8707 to \$-5805	2.22%					2.22%
\$-5805 to \$-2903	20.00%	2.22%				22.22%
\$-2903 to \$20	53.33%	8.89%	2.22%	2.22%	2.22%	68.89%
Total:	82.22%	11.11%	2.22%	2.22%	2.22%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 48.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro Impact of Proposed Rates on Annual Electricity Costs for 2006 Happy Valley/Goose Bay General Service 2.4HV		
<u>Change in Annual Costs</u>		
<u>Customers</u>	Dollar Change	Percentage Change
2	-\$182,430 to -\$24,796	-17.9% to -16.6%

Note: This analysis is based on 2001 usage patterns

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2006
Labrador West
Domestic 1.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	11% to 13%	13% to 14%	14% to 15%	15% to 16%	16% to 17%	Total
\$8 to \$73	0.03%	0.18%	0.79%	9.95%	11.16%	22.12%
\$73 to \$138				0.29%	22.25%	22.54%
\$138 to \$203					44.55%	44.55%
\$203 to \$268					10.40%	10.40%
\$268 to \$332					0.39%	0.39%
<i>Total:</i>	0.03%	0.18%	0.79%	10.24%	88.76%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 4245.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2006
Labrador West
General Service 2.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	0% to 3%	3% to 5%	5% to 7%	7% to 9%	9% to 12%	Total
\$0 to \$43	25.44%	5.26%	7.89%	13.16%	8.77%	60.53%
\$43 to \$86					27.19%	27.19%
\$86 to \$129					6.14%	6.14%
\$129 to \$172					4.39%	4.39%
\$172 to \$214					1.75%	1.75%
Total:	25.44%	5.26%	7.89%	13.16%	48.25%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 132.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
Domestic 1.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	12% to 13%	13% to 14%	14% to 15%	15% to 17%	17% to 19%	Total
\$9 to \$94	0.03%		0.24%	4.80%	16.93%	21.99%
\$94 to \$179					22.57%	22.57%
\$179 to \$264					44.78%	44.78%
\$264 to \$349					10.28%	10.28%
\$349 to \$432					0.37%	0.37%
<i>Total:</i>	0.03%	0.00%	0.24%	4.80%	94.94%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 4245.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2007
Labrador West
General Service 2.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	5% to 6%	6% to 8%	8% to 10%	10% to 11%	11% to 13%	Total
\$5 to \$56	17.54%	10.53%	11.40%	12.28%	8.77%	60.53%
\$56 to \$107					27.19%	27.19%
\$107 to \$158					6.14%	6.14%
\$158 to \$209					4.39%	4.39%
\$209 to \$259					1.75%	1.75%
<i>Total:</i>	17.54%	10.53%	11.40%	12.28%	48.25%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 132.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Happy Valley/Goose Bay
Domestic 1.1HV

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	1% to 4%	4% to 7%	7% to 10%	10% to 13%	13% to 17%	Total
\$10 to \$15	5.45%	3.37%	1.81%	1.39%	2.08%	14.10%
\$15 to \$20	54.27%					54.27%
\$20 to \$25	29.27%					29.27%
\$25 to \$30	2.26%					2.26%
\$30 to \$33	0.10%					0.10%
Total:	91.35%	3.37%	1.81%	1.39%	2.08%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 3410.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Labrador West
Domestic 1.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	<u>10% to 12%</u>	<u>12% to 13%</u>	<u>13% to 14%</u>	<u>14% to 15%</u>	<u>15% to 17%</u>	<u>Total</u>
\$9 to \$101	0.08%	0.84%	1.79%	3.56%	15.82%	22.10%
\$101 to \$193					22.68%	22.68%
\$193 to \$285					44.57%	44.57%
\$285 to \$377					10.26%	10.26%
\$377 to \$467					0.40%	0.40%
<i>Total:</i>	0.08%	0.84%	1.79%	3.56%	93.72%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 4245.

(2) This analysis is based on 2001 usage patterns.

Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs for 2008
Labrador West
General Service 2.1W

Percentage Change in Annual Costs

<u>Dollars Change in Annual Costs</u>	6% to 7%	7% to 8%	8% to 10%	10% to 12%	12% to 14%	Total
\$6 to \$70	17.54%	5.26%	7.89%	14.91%	14.91%	60.53%
\$70 to \$134					27.19%	27.19%
\$134 to \$198					6.14%	6.14%
\$198 to \$262					4.39%	4.39%
\$262 to \$326					1.75%	1.75%
<i>Total:</i>	17.54%	5.26%	7.89%	14.91%	54.39%	100.00%

Each number in the body of the table represents the proportion of customers with the combination of percent range at the top and dollar range to the left.

Notes: (1) The average number of customers for 2001 was 132.

(2) This analysis is based on 2001 usage patterns.

**Comparison of Rates Schedules 2004-2008
Labrador Interconnected**

Happy Valley/Goose Bay								
	Rate Class	2003 ⁽¹⁾	2004 ⁽²⁾ Aug 12	2004	2005	2006	2007	2008
Basic Charge \$/mo.	1.1	7.00	7.00	7.00	7.00	7.00	7.00	8.00
kWh Charge ¢/kWh		3.25	3.25	3.25	3.25	3.25	3.25	3.274
Basic Charge \$/mo.	2.1	9.10	9.10	9.10	9.10	10.10		
kWh Charge ¢/kWh		3.16	4.032	4.290	4.742	5.086		
Demand Charge \$/kW/mo	2.2	2.00	2.00	2.00	2.00	2.00		
kWh Charge ¢/kWh		3.00	3.00	3.00	2.787	2.398		
Demand Charge \$/kVa/mo	2.3	1.85	1.85	1.85	1.85	1.85		
kWh Charge ¢/kWh		2.95	2.95	2.95	2.601	2.116		
Demand Charge \$/kVa/mo	2.4	1.70	1.70	1.70	1.70	1.70		
kWh Charge ¢/kWh		2.50	2.50	2.50	2.260	1.808		
Demand Charge \$/kW/mo	3.1*	2.00	2.00	2.00				
kWh Charge ¢/kWh		2.50	2.50	2.50				
* Effective January 2005, Rate 3.1 will be eliminated and customers will become part of Rate 2.2 and 2.3								

Labrador West								
	Rate Class	2003⁽¹⁾	2004⁽²⁾ Aug 12	2004	2005	2006	2007	2008
Basic Charge \$/mo.	1.1	3.75	4.45	4.85	5.50	6.25	7.15	8.00
kWh Charge ¢/kWh		1.35	1.601	1.723	2.039	2.371	2.804	3.274
Basic Charge \$/mo.	2.1	9.10	9.10	9.10	9.10	9.10	9.55	10.10
kWh Charge ¢/kWh		2.20	2.832	3.072	3.520	3.945	4.450	5.086
Demand Charge \$/kW/mo	2.2	2.00	2.00	2.00	2.00			
kWh Charge ¢/kWh		1.60	2.056	2.241	2.398			
Demand Charge \$/kVa/mo	2.3	1.85	1.85	1.85	1.85			
kWh Charge ¢/kWh		1.50	1.882	2.069	2.116			
Demand Charge \$/kVa/mo	2.4	1.70	1.70	1.70	1.70			
kWh Charge ¢/kWh		1.70	1.731	1.779	1.808			

Note: Blank cells indicate that there are no further change in rates.

(1) Current rates.

(2) Proposed 2004 rates that had been included in the Aug. 12, 2003 filing with the Board.

**Comparison of Street Light Rates Schedules 2004-2008
Labrador Interconnected**

Happy Valley/Goose Bay Monthly Rate			
Type	2003⁽¹⁾	2004 Aug 12⁽²⁾	2004
MVP 250	\$9.99	\$12.10	\$12.10
HPS 100	\$8.75	\$10.07	\$9.41
HPS 150	\$12.10	\$12.10	\$12.10
HPS 250	\$15.95	\$15.95	\$15.95
HPS 400	\$20.10	\$20.10	\$20.10

Labrador West Monthly Rate							
Type	2003⁽¹⁾	2004⁽²⁾ Aug 12	2004	2005	2006	2007	2008
Rate 4.1W							
MVP 250	\$ 5.40	\$ 5.80	\$ 5.80	\$ 7.37	\$ 8.94	\$10.51	\$12.10
HPS 100	\$ 7.11	\$ 7.11	\$ 7.11	\$ 7.68	\$ 8.26	\$ 8.83	\$9.41
HPS 150	\$9.09	\$12.10	\$12.10				
HPS 250	\$10.36	\$15.95	\$15.95				
HPS 400	\$13.70	\$20.10	\$20.10				
Rate 4.11W	(Labrador City Street lights owned by Hydro existing as of Sept 1, 2002)						
HPS 100	\$ 2.65	\$ 4.15	\$ 4.27	\$ 5.55	\$ 6.83	\$ 8.12	\$ 9.41
Rate 4.12W	(Electricity Only)						
HPS 100	\$ 1.15	\$ 3.12	\$ 2.97	\$ 3.48	\$ 3.99	\$ 4.50	\$ 5.02

Note: Blank cells indicate that there are no further change in rates.

⁽¹⁾ Current rates.

⁽²⁾ Proposed 2004 rates that had been included in the Aug. 12, 2003 filing with the Board.