

1 Q. With regard to the response to CA-213 NLH, please provide a lifeline rate for
2 Domestic Diesel Customers based on the following criteria: a two-block
3 energy rate structure, with the first block covering consumption up to the
4 levels shown in the report entitled *A Review of the Adequacy of the Lifeline*
5 *Block on Diesel Electric Systems*, and the second block covering all
6 consumption beyond the first block. The first block would be priced at the
7 rate charged by Newfoundland Power to its Domestic Customers, and the
8 second block would be priced at a level that would maintain revenue
9 neutrality; i.e., there would be no increase in the rural deficit. Please show
10 customer impacts of the rate design described.

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13 A. Assuming Newfoundland Power will apply the proposed rate change equally
14 to the basic customer charge and energy components, the proposed rate
15 structure would be as follows.

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17	Basic Customer Charge	\$16.94/month
18	Energy Charge	
19	First Block Rate	7.720¢/kWh
20	1000 kWh per month for Jan, Feb, and Dec	
21	900 kWh per month for Mar, Apr, and Nov	
22	800 kWh per month for May, June, and Oct	
23	700 kWh per month for July, Aug, and Sept	
24	All excess kWh	14.513¢/kWh
25	Minimum Monthly Charge	\$16.94/month
26		

27 The customer impacts include the 7.4% proposed increase comparing the
28 difference between the August 1, 2003 rates and those above.

**Newfoundland & Labrador Hydro
Impact of Proposed Rates on Annual Electricity Costs
Isolated Systems
Domestic Diesel 1.2D**

Percentage Change in Annual Costs

Dollars Change in Annual Costs	7 % to 7.3%	7.3% to 7.6%	7.6% to 7.9%	7.9% to 8.2%	8.2% to 8.5%	Total
\$12 to \$137	3.58%	76.00%	14.24%	0.58%		94.40%
\$137 to \$262			2.45%	2.41%	0.08%	4.94%
\$262 to \$387				0.12%	0.35%	0.47%
\$387 to \$512					0.12%	0.12%
\$512 to \$637					0.08%	0.08%
Total:	3.58%	76.00%	16.69%	3.11%	0.62%	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.