

1 Q. Indicate the Revenue to Cost Coverage Ratios (RCC's) for the Industrial
2 Class and NP by year from 1992 to 2004 based on all of Hydro's available
3 COS studies (prospective and actual) for these years. Indicate in each
4 instance the portion (if any) of the RCC for each of these rate classes
5 affected by Rural Deficit charges.
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8 A. Please see attached for Revenue to Cost ratios for Newfoundland Power and
9 Industrial Customers. The deficit portion is not identified, as the issue of the
10 Industrial Customers contribution to the Rural subsidy was considered and
11 decided by the Board at the last rate hearing. Please refer to P.U. 7, (2002-
12 2003), pages 133 – 135. The requested information for the years 1992 to
13 2000 is not relevant and is not necessary to understand the matters to be
14 considered in this proceeding concerning Hydro's application.
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16 The actual Cost of Service for 1996 is not available. During 1996, the St.
17 Anthony / Roddickton system was interconnected to the Island
18 Interconnected system. It is not possible to produce a meaningful annual
19 cost of service in light of this system being included in both Isolated Systems
20 and the Island Interconnected System at different times during the year.
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22 The Cost of Service for 1998 is not available. During 1998 there was a
23 complete reorganization of the corporation into business units.
24 Simultaneously, Hydro began a phased implementation of a new integrated
25 accounting system. Because the recording of operating expenses by
26 business unit was not standardized for 1998, it is not practical to perform the
27 analysis required for Cost of Service purposes.

- 1 The actual Cost of Service study for 2002 and the forecast Cost of Service
- 2 study for 2003 are not yet available. This response will be updated when
- 3 those studies have been completed.

Newfoundland and Labrador Hydro
Revenue to Cost Ratios

Line No.	COS Description	Newfoundland Power	Island Industrial Customers
1	1992 Forecast - Final	1.13	1.13
2	1992 COS Methodology	1.14	1.14
3	1992 Actual Cost of Service	1.12	1.17
4	1993 Budget Cost of Service	1.13	1.13
5	1993 Actual Cost of Service - Interim Methodology	1.12	1.13
6	1993 Actual Cost of Service - Generic Methodology	1.14	1.14
7	1994 Actual Cost of Service - Interim Methodology	1.14	1.11
8	1994 Actual Cost of Service - Generic Methodology	1.18	1.13
9	1995 Budget Cost of Service - Interim Methodology	1.13	1.13
10	1995 Test Year - Generic Methodology Base Case	1.14	1.14
11	1995 Test Year - Generic Methodology St. Anthony Interconnection	1.13	1.13
12	1995 Actual Cost of Service - Interim Methodology	1.12	1.12
13	1995 Actual Cost of Service - Generic Methodology	1.14	1.20
14	1997 Actual Cost of Service - Interim Methodology	1.08	1.13
15	1997 Actual Cost of Service - Generic Methodology	1.12	1.14
16	1999 Actual Cost of Service - Interim Methodology	1.10	1.11
17	1999 Actual Cost of Service - Generic Methodology	1.13	1.23
18	2000 Actual Cost of Service - Interim Methodology	1.13	1.01
19	2000 Actual Cost of Service - Generic Methodology	1.16	1.10
20	2001 Forecast Cost of Service - Interim Methodology	1.12	1.00
21	2001 Forecast Cost of Service - Generic Methodology	1.16	1.05
22	2001 Actual Cost of Service - Interim Methodology	1.13	1.02
23	2001 Actual Cost of Service - Generic Methodology	1.18	1.05
24	2002 Test Year Final Cost of Service	1.18	1.01
25	2004 Forecast Cost of Service (Exhibit RDG-1)	1.16	1.00