

1 Q. For all non-demand metered rate classes not impacted by the lifeline block
2 and rural subsidy policy, please describe the process used to develop the
3 relative weighting of demand, energy, and monthly charges found in rates.
4 Please include a discussion of the contributing role (if any) in rate design of
5 the demand, energy, and customer related costs allocated to the respective
6 rate classes in the cost of service study.

7
8
9 A. There are two sets of non-demand metered rate classes not impacted by the
10 lifeline block and the rural subsidy policy. These are the Isolated
11 Government accounts and the Labrador Interconnected non-demand
12 metered classes.

13
14 The basic customer charge and kWh rates in the Cost of Service study are
15 targeted in designing rates for domestic government accounts on the isolated
16 systems.

17
18 For Labrador Interconnected, the revenue to cost coverages are given
19 greater weighting than the individual rate components. The basic customer
20 charges are much lower in Labrador West than Happy Valley / Goose Bay so
21 these need to be combined within the five year time frame specified. The
22 basic customer charge for non-demand metered classes are set to be
23 approximately half of the amount for Island Interconnected customers; the
24 remainder is collected through the energy charge.