

1 Q. **Rate and other Impacts of the Settlement**

2 Please set out in detail the average effect on rates for the test year for each
3 rate group that can be attributed directly to the updating of forecasts and the
4 correction of errors.

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7 A. Please see attached. Adjustments to rate base and revenue requirement
8 were not segregated to distinguish those that can be attributed directly to the
9 updating of forecasts and the correction of errors separately from other
10 changes. To prepare a timely response to this request for information, the
11 following assumptions were applied:

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- 13 1. The responses to PUB 26 NLH and PUB 27 NLH form the basis for
14 this analysis.
- 15 2. The rate effect which can be attributed to changes other than the
16 updating of forecasts and the correction of errors were estimated first.
- 17 3. Operating and Maintenance expense changes were categorized as
18 expense-related Administrative and General for this analysis. The
19 amounts are specified in the response to PUB 27 NLH.
- 20 4. Depreciation and Loss on Disposal impacts were categorized as
21 general plant depreciation and allocated among all systems for this
22 analysis. The amounts are specified in the response to PUB 27 NLH.
- 23 5. Rate base impacts were not separated and are all reflected in
24 changes arising from forecast changes.
- 25 6. The difference between total effect on rates and the results of 2 above
26 were assumed to be attributable to the larger impacts of updating of
27 forecasts and the correction of errors.

**Newfoundland and Labrador Hydro
2007 Forecast Rate Impacts
Percentage Increase or Decrease over Revenue at December 2006 Rates**

	August 3 filing Mitchell Table 4	December 6 filing Schedule F	Difference	Changes arising for Other reasons	Changes arising from forecast changes or Error correction	Comments
Newfoundland Power						
- Firm Base Rates	26.5%	23.1%	-3.4%	-0.7%	-2.7%	
Total Firm (after RSP) NP	6.6%	0.4%	-6.2%	-6.2%	0.0%	RSP Hydraulic Variation Provision Agreement
Industrial						
- Firm	33.5%	29.7%	-3.8%	-0.6%	-3.2%	
Total Firm (after RSP) Industrial	8.2%	-13.9%	-22.1%	-19.4%	-2.7%	RSP - Other Reasons unrelated to GRA Agreements
Industrial Non-Firm	0.0%	0.0%	0.0%	0.0%	0.0%	
Industrial Wheeling	0.0%	-2.3%	-2.3%	-0.5%	-1.8%	
Rural Island Interconnected	4.6%	0.4%	-4.2%	-0.5%	-3.7%	
						For the most part, final rate impacts are the same as Island Interconnected, .07% increase from Dec 06 rates. Segregated rate impacts by rate class are not readily available.
Rural Isolated Systems	13.5%	12.8%	-0.7%	-	-	
L'Anse au Loup	4.6%	0.4%	-4.2%	-0.5%	-3.7%	
Rural Labrador Interconnected						
Domestic	10.1%	0.0%	-10.1%	-10.1%	0.0%	Change in revenue requirement will not impact rates until 2008
GS 2.1 0 - 10 kW	4.9%	0.0%	-4.9%	-4.9%	0.0%	Change in revenue requirement will not impact rates until 2008
GS 2.2 10 - 100 kW	9.3%	0.0%	-9.3%	-9.3%	0.0%	Change in revenue requirement will not impact rates until 2008
GS 2.3 110 - 1000 kVa	6.6%	0.0%	-6.6%	-6.6%	0.0%	Change in revenue requirement will not impact rates until 2008
GS 2.4 Over 1000 kVa	3.0%	0.0%	-3.0%	-3.0%	0.0%	Change in revenue requirement will not impact rates until 2008
Street and Area Lighting	1.9%	0.0%	-1.9%	-1.9%	0.0%	Change in revenue requirement will not impact rates until 2008
Labrador Interconnected Total	8.5%	0.0%	-8.5%	-8.5%	0.0%	Change in revenue requirement will not impact rates until 2008
CFB Goose Bay Secondary	0.0%	0.0%	0.0%	0%	0.0%	