Q. Regulatory Compound & Rate Increase

2 References:

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- (i) NLH 2017 GRA, Evidence, chapters 1 & 5, pages 1.7 & 5.16, tables 1-1 & 5-2
 - (iii) NLH 2017 GRA, Evidence, chapter 5, page 5.1
- (iv) NLH 2017 GRA, Evidence, chapter 5, page 5.14, table 5-1
 - (v) NLH 2017 GRA, Evidence, chapter 5, page 5.34

Table 1-1 Proposed Average Interim and Final Rate Changes by Customer Class (%)⁷

Customer Class	Interim 2018 TY Increase Relative to July 1, 2017 Rates	2019 TY Increase Relative to January 1, 2018 Interim Rates	
Newfoundland Power – Wholesale	9.7	9.4	
Newfoundland Power – Retail	6.6	6.4	
Island Industrial	6.2	7.2	
Labrador Interconnected	5.9	6.5	
Labrador Industrial Transmission	15.0	28.5 ⁸	
Hydro Rural Government Diesel	9.0	12.7	
Hydro Rural Other ⁹	6.6	6.4	

(i)

(ii) « On the Labrador Interconnected System, Hydro serves approximately 11,200 Rural Customers and two Industrial Customers: the Iron Ore Company of Canada (IOC) and the Wabush Mines facility.»

Table 5-1 Required Increase in Customer Billings to Recover Revenue Requirement¹⁶

	to July 1, 2017		y 1, 2017
Newfoundland Power 58.2	Rates	Rates	
	%	\$ million	%
Island Industrial 3.8	14.1	72.0	17.4
	9.6	4.8	11.9
Rural Labrador Interconnected 1.4	7.1	2.4	11.6
Labrador Industrial Transmission 0.9	19.7	2.1	44.9
Hydro Rural Government Diesel 0.2	10.4	0.5	22.0
Hydro Rural Other ¹⁷ 5.7	9.6	6.9	11.8
Total 70.0		88.6	

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(iii)

15 (iv) « Hydro has two mining facilities served on the Labrador Industrial rates,

16 IOC and Wabush Mines. IOC's Power on Order is forecast to be 245.0

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1		MW for 2018. Wabush Mines is currently not operational but still using
2		a minimal amount of demand. »
3		
4		Confirm that said Demand Charge is composed of: (i) the regulated Labrador
5		Industrial Transmission rate plus (ii) 42¢ per kW-month for a "standby generation
5		component"? If not, please explain.
7		
3		
9	A.	Please refer to Hydro's response to IOC-NLH-001.