

1 Q. **Preamble:** IOC understands that the alternative described by NLH included the
2 replacement of the current lines (described in IOC-NLH-022, page 2)
3 with conductors of a greater dimension.
4

5 **References:** (i) IOC-NLH-027
6

7 Please complete your answer with your 2019 revenue requirement in a form similar
8 to Table 1, including the Power on Order for the First and Excess Blocks?
9

10 A. Hydro's 2019 Test Year revenue requirement for the Labrador Industrial class
11 transmission demand is \$5,456,470.¹ Further, Hydro's recovery of the forecast 2018
12 revenue deficiency in 2019 is \$129,030.² Therefore, Hydro's rate design target for
13 2019 is \$5,585,500.
14

15 As shown in Table 1, both rate design alternatives collect the same amount of
16 revenue through the Labrador Industrial transmission rate and are therefore
17 revenue neutral.³
18

19 Please refer to Table 1 which provides the requested information for 2019.

¹ Exhibit 15, Schedule 3.2E, page 3 of 4, Column 5, line 66.

² Total 2018 revenue deficiency of \$215,051 * 12/20 (to reflect collection over 20 months).

³ Differences of \$7,060 exist due to rounding of approved transmission rates to two decimal places.

Table 1 Comparison of Rate Designs (2019 Proposed vs. Existing)⁴

Customer	Proposed Rate Design			Existing Rate Design		
	Billing Demand	Proposed Rates per kW	Revenue(\$)	Power on Order	Cost per kW	Revenue(\$)
IOCC						
First Block	2,646,000	1.86	4,921,560	2,940,000	1.90	5,586,000
Excess Block	170,000	3.95	671,500			-
Total	2,816,000		5,593,060			5,586,000
Wabush						
First Block	-	1.86	-	-	1.90	-
Excess Block	-	3.95	-			-
Total	-		-			-
Class Total						
First Block	2,646,000	1.86	4,921,560	2,940,000	1.90	5,586,000
Excess Block	170,000	3.95	671,500			-
Total	2,816,000		5,593,060			5,586,000

⁴ Proposed rate includes recovery of the 2018 Revenue Deficiency.