

1 Q. Please provide a table in the same format as Table 7 on page 22 of the 2018 Cost of Service  
2 Methodology Review Report that shows the impact on the 2021 Illustrative Revenue  
3 Requirement of the implementation of each recommendation made by The Brattle Group  
4 that is different than Hydro's proposals.

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7 A. Table 1 provides a comparison of the 2021 Illustrative Revenue Requirements in the same  
8 format as Table 7, which reflects Newfoundland and Labrador Hydro's ("Hydro")  
9 methodology recommendations (Column A) and a revised revenue requirement reflecting  
10 each of The Brattle Group, Inc.'s ("Brattle") recommendations that differed from Hydro's  
11 proposals (Column B).<sup>1</sup>

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13 Column C in Table 1 provides the change in revenue requirement resulting from each  
14 recommendation and Column D provides the cumulative revenue requirement difference  
15 between Hydro's proposals and the Brattle recommendations.

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17 Table 1 assumes Hydro Rural Interconnected and Diesel Systems rates will increase as a  
18 result of the required increase in Newfoundland Power's retail rates, thereby contributing  
19 to a reduction in the rural deficit.

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21 Hydro has not computed revenue requirement impacts for Brattle's recommendation for  
22 the use of a single cost of service study or the recommended changes for Holyrood Thermal  
23 Generation Station Unit 3 as Hydro is unclear on how to apply these recommendations.

24 Hydro has not assumed any change in revenue requirement by class as a result of Brattle's  
25 proposal to use a rate rider to deal with net export revenues versus Hydro's proposal to net  
26 the savings against Muskrat Falls project power purchases.

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<sup>1</sup> The "2021 Illustrative Cost of Service Study" results reflecting Hydro's proposals have been adjusted to reflect functionalization of TL 247 and TL 243 as generation. The original filing incorrectly had these assets functionalized as transmission.

**Table 1: 2021 Illustrative Revenue Requirements using Hydro Proposals  
vs. Brattle Recommendations  
(\$000)**

<b>Customer Class</b>	<b>Hydro Proposal (A)</b>	<b>Brattle Recommended (B)</b>	<b>Difference (C)</b>	<b>Cumulative (D)</b>
<b>1 LIL<sup>2</sup> Functionalized as Transmission and Classified as 100% Demand:</b>				
Newfoundland Power (after Rural Deficit)	942,537	956,088	13,551	13,551
Island Industrial	92,520	77,921	(14,599)	(14,599)
<b>2 LTA<sup>3</sup> Functionalized as Transmission and Classified as 100% Demand:</b>				
Newfoundland Power (after Rural Deficit)	942,537	944,424	1,887	15,437
Island Industrial	92,520	90,487	(2,033)	(16,632)
<b>3 Muskrat Falls Generation (Including Net Exports) Classified Using System Load Factor:</b>				
Newfoundland Power (after Rural Deficit)	942,537	945,153	2,616	18,053
Island Industrial	92,520	89,699	(2,821)	(19,452)
<b>4 TL 247 and TL 243 Functionalized and Classified as Transmission:</b>				
Newfoundland Power (after Rural Deficit)	942,537	942,551	14	18,067
Island Industrial	92,520	92,464	(55)	(19,508)
<b>5 LIS<sup>4</sup> and IIS<sup>5</sup> Diesel and Gas Turbine Units Classified as Demand and Fuel Classified as Energy:</b>				
Newfoundland Power (after Rural Deficit)	942,537	942,371	(166)	17,902
Island Industrial	92,520	92,683	164	(19,344)

<sup>2</sup> Labrador-Island Link.

<sup>3</sup> Labrador Transmission Assets.

<sup>4</sup> Labrador Interconnected System.

<sup>5</sup> Island Interconnected System.