

Q. Rates and Costs

(a) With reference to Table 6 (page 15, pre-filed evidence of Larry Brockman, please provide the energy numbers for calculating the average rate.

(b) Please provide the back-up values for all calculations, and their source.

(c) Mr. Brockman relies upon the average energy rate values in CA-NLH-21 which are cited as being linked to PUB-NLH-22. Please provide Mr. Brockman's reconciliation of the total IC revenue requirement of \$19.25 million in CA-NLH-21 to the IC revenue requirement of \$22.058 million shown at line 17 of PUB-NLH-22 page 2.

(d) Please confirm that "Average Rate" is not the rate paid by the respective customers over this period.

(e) Please indicate if the "Average Rate" includes demand charges and specifically assigned charges or only energy charges.

(f) Please confirm that "Average Cost" is not calculated based on the 2007 approved cost of service study.

(g) Please indicate if the "Average Cost" value is specifically related to energy costs, or comprises all costs (demand-related, customer-related).

A. (a) The average rate per customer in Table 6 was provided by Hydro in response to NP-NLH-13. The energy numbers used by Hydro to compute the average rate were provided in Attachment 1, page 4 of 4 of the response to NP-NLH-13.

(b) The source of the backup values for the average rate per customer in Table 6 is provided in part (a) to this response. The backup values for the average cost per customer in Table 6 were provided by Hydro in the response to CA-NLH-21.

(c) Mr. Brockman did not rely on the response to CA-NLH-21 for the average rate values shown in Table 6. However, Mr. Brockman did obtain the average cost values shown in Table 6 from the response to CA-NLH-21. The average cost values shown in Table 6 are the average unit costs for each customer shown in the third column in the table titled "2007 Test Year - PUB-NLH-22" in the response to CA-NLH-21.

As noted in his evidence, Mr. Brockman based his referenced assessment on data provided by Hydro. Requests for reconciliation of information in the responses to CA-NLH-21 and PUB-NLH-22 should be directed to Hydro.

(d) It is confirmed.

- 1 (e) As shown in Attachment 1, page 4 of 4 of the response to NP-NLH-13, the
2 computation of the average rate shown in Table 6 of Mr. Brockman's evidence
3 includes the total of demand charges, energy charges and specifically assigned
4 charges for the three Industrial Customers identified in the table.
5
- 6 (f) As indicated in footnote 25 at page 15 of Mr. Brockman's evidence, the average
7 cost presented in Table 6 are taken from the response to CA-NLH-21, and were
8 based on an updated 2007 cost of service study provided by Hydro in the response
9 to PUB-NLH-22.
10
- 11 (g) The derivation of average cost as shown in Table 6 of Mr. Brockman's evidence
12 is provided in the response to CA-NLH-21. The average cost is the revenue
13 requirement divided by energy sales. It is reasonable to assume that the revenue
14 requirement includes all costs.