

1 Q. Pages 15-16 of the evidence - Provide a detailed calculation illustrating the “*Current*
2 *Approach*” method for the proposed refund to Rural Customers.

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5 A. Hydro normally completes its rate design process for Rural Customers after NP files
6 its rate proposal with the Board since most Rural Customers pay rates that are
7 based on the rates that NP customers pay. Since NP’s rate design process to refund
8 the RSP surplus is not yet complete, Hydro does not have the detailed information
9 required to complete this request for information. Based on Hydro’s understanding
10 the following is illustrative of Current Approach process for the proposed refund to
11 Rural Customers:

12
13 Calculation of proposed refund to Rural Customers:

14
15 (1) $(\text{NP RSP Surplus} / \text{NP 2013 Sales kWh}) \times \text{NP Customer Class Sales kWh} = \text{Refund}$
16 $\text{per NP Customer Class};$

17
18 (2) $\text{Refund per NP Customer Class} / \text{NP revenue per Customer Class} = \% \text{ Refund per}$
19 $\text{NP Customer Class};$

20
21 (3) $\% \text{ Refund per NP Customer Class} \times \text{Hydro Customer 2013 Revenue} = \text{Rural}$
22 $\text{Customer Refund}; \text{ and}$

23
24 (4) $\text{Sum of Rural Customer Refunds} = \text{Rural Rate Alteration Adjustment}.$