Q. Further to the response to SR-PUB-NLH-002, provide all Orders of this Board and regulatory precedents from other jurisdictions that recognize the *"two distinct views of electricity rates"* referred to in the response.

A. The response to SR-PUB-NLH-002 states that it is Hydro's opinion there are two distinct views of electricity rates as follows:

Published rate:	Rate approved by the regulator and posted by the utility as the price to be paid for each rate component (e.g. basic customer charge, demand and energy) for a particular class of electricity service.
Effective rate:	Average rate paid for electricity service for a defined period derived by dividing cost paid (net of rebates) by kilowatt-hours consumed.

Published rates are common in most, if not all, regulatory jurisdictions. In Newfoundland and Labrador, Order No. P.U. 23(2013) establishes the most recent rates for Newfoundland Power customers and Order No. P.U. 24(2013) establishes the most recent rates for Rural Customers whose rates are based on Newfoundland Power customers' rates.

Effective rates are normally not published by the regulator, but rather by the utility, industry associations or consulting firms, for example. Both Manitoba Hydro and Hydro Québec publish reputable rate surveys which use average, or effective, rates as a means of pricing comparison. An example of a Hydro Québec rate survey

which uses effective rates, from the publication "Comparison of Electricity Prices in Major North American Cities"[1] is shown in Attachment 1.

There are, however, also instances in this jurisdiction whereby effective rates are used to develop rates for approval by the Board. Section 16 of Hydro's Rules and Regulations Section (c) (ii), for example, states that Rural General Service customers rates "will increase or decrease by the average rate of change granted Newfoundland Power from time to time." Newfoundland Power's compliance filing resulting from Order No. P.U. 24(2013), on Schedule 5, Appendix D, Page 1[2] , Line 8 shows Rate Class 2.2 General Service 10-100 kW received an average, or effective, rate decrease of 7.8%. Hydro's compliance filing resulting from Order No. P.U. 23(2013), on Schedule B, Page 1[3], Line 8 shows Rate Class 2.2 D General Service Diesel (over 10 kW) received an average, or effective, rate decrease of 7.8% on each rate component.

Regarding the specific request to "provide all Orders of this Board and regulatory precedents from other jurisdictions that recognize the *"two distinct views of electricity rates",* Hydro's submits that all Orders of the Board which set rates for either Newfoundland Power or Hydro resulted in Published rates. Effective rates have been used to develop Published rates for General Service Diesel and as well to set the "Above the Lifeline Block" for Domestic customers. As stated above, Effective rates are normally not published by the regulator, but rather by the utility, industry associations or consulting firms.

[1] Page 32. Rates in effect April 1, 2013.
[2] Refer to SR-PUB-NLH-014, Attachment 2
[3] Refer to SR-PUB-NLH-014, Attachment 3

AVERAGE PRICES ON APRIL 1, 2013

(in ¢/kWh)[1]

Residential Service

Consumption	625 kWh	750 kWh	1,000 kWh	2,000 kWh	3,000 kWh
Canadian Cities					
Montréal, QC	7.36	7.04	6.87	7.32	7.48
Calgary, AB	15.93	15.44	14.81	13.88	13.56
Charlottetown, PE[2]	16.34	15.69	14.87	13.64	12.23
Edmonton, AB	15.14	14.59	13.90	12.87	12.52
Halifax, NS	16.10	15.81	15.45	14.90	14.72
Moncton, NB	13.01	12.48	11.82	10.84	10.51
Ottawa, ON	12.90	12.67	12.39	11.97	11.83
Regina, SK	14.37	13.83	13.15	12.14	11.80
St. John's, NL[3]	13.47	13.06	12.55	11.78	11.52
Toronto, ON	13.28	12.91	12.48	12.08	11.94
Vancouver, BC	8.03	8.26	8.91	9.88	10.21
Winnipeg, MB	8.04	7.85	7.63	7.28	7.17
American Cities					
Boston, MA	16.89	16.72	16.50	16.17	16.07
Chicago, IL[2]	12.40	11.97	11.43	8.30	7.98
Detroit, MI[2]	15.57	15.55	15.54	15.51	15.50
Houston, TX[2]	12.29	11.77	10.10	9.62	9.46
Miami, FL[2]	9.89	9.70	9.46	10.12	10.34
Nashville, TN	11.34	11.02	10.62	10.02	9.82
New York, NY[2]	22.71	22.28	21.75	20.95	20.69
Portland, OR	11.25	10.98	10.63	11.37	11.62
San Francisco, CA[2]	22.57	24.58	22.94	28.75	30.70
Seattle, WA	7.82	8.33	8.97	9.93	10.25
AVERAGE	**13.49**	**13.30**	**12.85**	**12.70**	**12.63**

1) In Canadian dollars.
2) These bills have been estimated by Hydro-Québec and may differ from actual bills.
3) Newfoundland Power rates.

Schedule 5
Appendix D
Page 1 of 1

Newfoundland Power Inc.

Average Billing Impacts - Customer Rates
(Billing Amounts include RSA and MTA effective July 1, 2013)
($000s)

	Category	Adjusted Existing Rates	Customer Rates	Change	Average Impacts
1		(A)[1]	(B)[2]	(C)[3]	(D)[4]
2					
3	1.1 Domestic	429,634	422,077	(7,557)	-1.8%
4	1.1S Domestic Seasonal	2,702	2,659	(43)	-1.6%
5	Total Domestic	432,336	424,736	(7,600)	-1.8%
6					
7	2.1 General Service 0-10 kW	15,233	13,848	(1,385)	-9.1%
8	2.2 General Service 10-100 kW	83,535	77,023	(6,512)	-7.8%
9	2.3 General Service 110-1000 kVA	101,835	97,762	(4,073)	-4.0%
##	2.4 General Service over 1000 kVA	46,632	44,179	(2,453)	-5.3%
##	Total General Service	247,235	232,812	(14,423)	-5.8%
##					
##	4.1 Street and Area Lighting	15,252	15,701	449	2.9%
##	Forfeited Discounts	3,232	3,356	124	3.8%
##					
##	**Total**	698,055	676,605	(21,450)	-3.1%

[1] Column A is the 2014 forecast customer billings under existing rates including revised elasticity impacts (See Appendix G to GRA Compliance Report, Column C).

[2] Column B is the 2014 forecast under the Proposed Customer Rates including revised elasticity impacts.

[3] Column C is the difference between forecast under Proposed Customer Rates and Existing rates (Column B - Column A).

[4] Column D is the forecast rate change as a result of the General Rate Order and the RSA/MTA update (Column C / Column A).

Schedule B
Page 1 of 1

Newfoundland and Labrador Hydro
Calculation of Isolated System Rates
(other than those which are the same as Newfoundland Power's)

	Current Rate 1-Jan-13	*% Increase 1-Jul-13* [1]	*Revised Rate 1-Jul-13*
Rate 1.2 D Domestic Diesel			
Energy			
Second Block (cents per kWh)	12.600	-1.800%	12.373
Third Block (cents per kWh)	17.083	-1.800%	16.776
Rate 2.1 D General Service Diesel (0-10 kW)			
Basic Customer Charge (per month)	$21.61	-9.100%	$19.64
Energy (cents per kWh)	18.414	-9.100%	16.738
Minimum			
Single Phase (per month)	$21.61	-9.100%	$19.64
Three Phase (per month)	$39.61	-9.100%	$36.01
Rate 2.2 D General Service Diesel (over 10 kW)			
Basic Customer Charge (per month)	$31.31	-7.800%	$28.87
Demand (dollars per kW)	13.90	-7.800%	12.82
Energy (cents per kWh)	17.668	-7.800%	16.290
Minimum			
Single Phase (per month)	$31.31	-7.800%	$28.87
Three Phase (per month)	$68.29	-7.800%	$62.96

[1] Source: Newfoundland Power Inc.: Projected Customer Billing Impacts of July 1, 2013 GRA/RSA/MTA, (%) Billing Change: Appendix D, pg 1 of 1 in the NP Compliance Filing.