

1 Q. (Rates and Regulation Evidence page 4.7, lines 5 to 12)
2 As a result of the 2006 GRA, three studies were to be undertaken by Hydro and
3 stakeholders relating to the NP rate design, the IC rate design and the RSP design.
4 Please list all recommendations deriving from these studies and identify those that
5 have either been implemented or are proposed for implementation in this GRA.

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8 A. Please see the table below for the recommendations from the NP and IC rate design
9 reviews. The RSP design review was not completed, as explained in the response to
10 CA-NLH-6, filed as part of Hydro's July 2013 RSP Rules and Components to be
11 charged to Industrial Customers Application, and there are therefore no
12 recommendations.

Recommendation	Status
Review of Demand Billing to Newfoundland Power	
Continue with the current demand billing approach.	Included in this GRA.
Significant changes in marginal costs, system configuration, or other considerations may warrant a further review of the rate structure for the sale of power and energy from Hydro to NP.	When marginal costs and structure are more readily available, such review may be necessary.
To be resolved at a technical conference or through some other regulatory proceeding: Whether NP's curtailable load should be treated in a manner similar to NP's existing generation credits.	Items to be investigated have been identified in this GRA. (Exhibit 9, Section 2.1.3) and Addendum to Exhibit 9.

Recommendation	Status
Review of Industrial Customer Rate Design	
A two-block rate structure for IC with a marginal cost based second block.	<p>The recommendations were not proposed in this GRA due to:</p> <ul style="list-style-type: none"> • Lack of resolution of outstanding rate design issues, most significantly the difficulties inherent in rate design with the forecast increasing Vale load; • Significant load changes for this customer class since preparation of the report; • Potential changes in marginal price signals in the near future; and • The available CDM programs for these customers.
The tail block or second block should be priced at Hydro's Test Year marginal cost of supply.	
An IC will be able to apply to Hydro to have their first block energy adjusted to take account of significant changes to their business or output. The difference between the marginal cost of fuel and the energy revenue received should be recoverable by Hydro through an automatic rate adjustment.	
Industrial Customers entering the Island Interconnected System between rate hearings will be charged a Test Year average energy charge, in addition to regular IC demand charges, for all kilowatt-hours (kWh). The difference between the cost of fuel and the energy revenue received should be recoverable by Hydro through an automatic rate adjustment.	

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Please also see Hydro's response to CA-NLH-069.