

1 Q. (Rates and Regulation Evidence page 4.14, lines 9 to 13)

2 Please provide a table identifying details in other Canadian jurisdictions that require
3 payment of subsidies by one customer class to another including the amount of the
4 subsidy and the impact in percentage terms on the paying customer class rates.

5 Include NL in the table for comparative purposes.

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8 A. The requested research has not been performed by Hydro or its Cost of Service
9 consultant. Hydro's Cost of Service consultant, however, notes that it is common
10 for Canadian jurisdictions to have plus or minus bandwidths of e.g., revenue to cost
11 coverage ratios or rates of return on rate base among its customer classes (refer
12 also to response to CA-NLH-036). In addition, cost of service studies have inherent
13 cross-subsidies, e.g., urban versus rural; terminal stations that serve some
14 customers but not others; customers served from lines that are more depreciated
15 versus less depreciated, etc. In Hydro's case, for instance, Labrador Interconnected
16 domestic rates are designed to recover 95% of the revenue requirement, while
17 General Service rate classes recover more than 100% to make up the difference.
18 Please refer to Page 4.13 of Hydro's GRA evidence. Hydro's 2013 Test Year revenue
19 to cost coverage for its rate classes that incur the rural deficit are shown in the table
20 below.

Class	2013 Test Year Revenue to Cost Ratio
Newfoundland Power	1.14
Labrador Interconnected	
1.1 Domestic	0.64
1.1A Domestic All Electric	1.39
2.1 General Service 0-10 kW	1.51
2.2 General Service 10-100 kW	1.63
2.3 General Service 110-1,000 kVa	1.57
2.4 General Service over 1,000 kVa	1.51
4.1 Street and Area Lighting	1.44