

1 Q. Further to CA-NLH-099, what is Hydro's forecast for the Rural Deficit for the next 5
2 years.

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7 Please refer to Attachment 1, Return 20 which was filed with the Board as part of

8 Hydro's annual return that was filed on April 1, 2015.

Return 20

NEWFOUNDLAND & LABRADOR HYDRO
2014 Annual Report on the Rural Deficit

	2014 Actual Cost of Service			
	Revenues (\$)	Cost of Service Before Deficit and Revenue Allocation (\$)	Revenue Credits (\$)	Deficit (\$)
Rural Deficit Areas				
Island Interconnected	51,010,334	77,329,538	(383)	(26,318,821)
Island Isolated	1,547,579	9,030,481	0	(7,482,902)
Labrador Isolated	7,228,461	33,281,070	0	(26,052,609)
L'Anse au Loup	2,776,317	6,978,111	0	(4,201,794)
DND Revenue Credit	0	0	(3,737)	3,737
Total	62,562,691	126,619,200	(4,120)	(64,052,389)

	2014 Actual ⁽¹⁾				
	Number of Communities ⁽²⁾	Number of Customers	Cost per kWh ⁽³⁾ (\$)	Deficit per Customer ⁽³⁾ (\$)	Cost Recovery Ratio ⁽³⁾
Rural Deficit Areas					
Island Interconnected	145	22,806	0.18	(1,154)	0.66
Island Isolated	7	800	1.24	(9,354)	0.17
Labrador Isolated	17	2,630	0.89	(9,906)	0.22
L'Anse au Loup	8	1,002	0.30	(4,193)	0.40
Total	177	27,238	0.25	(2,352)	0.49

	Forecast Deficit (\$)				
	2015	2016	2017	2018 ⁽⁴⁾	2019 ⁽⁴⁾
Rural Deficit Areas					
Island Interconnected	25,655,000	22,243,000	19,858,000	19,858,000	19,858,000
Isolated Systems	39,328,000	39,992,000	40,365,000	40,365,000	40,365,000
DND Revenue Credit	(913,000)	(880,000)	(873,000)	(873,000)	(873,000)
Total	64,070,000	61,355,000	59,350,000	59,350,000	59,350,000

⁽¹⁾ Average cost for Island Interconnected customers less Rural Interconnected is \$0.076 per kilowatt hour and cost for Labrador Interconnected customers is \$0.025 per kilowatt hour. Both calculations are based on kWh sales.

⁽²⁾ Hydro's definition of Community corresponds to the "Town Code" in its customer information system. Some smaller communities may be combined if they share a single postal code.

⁽³⁾ Excludes DND Revenue Credit.

⁽⁴⁾ Information to complete the 2018 and 2019 forecast is not yet available. Therefore, Hydro has used 2017 forecast information.