

1 Q. **Re: NLH Evidence, Section 4, page 4.14, lines 10-13**

2 Please describe the implications that would occur for each rate class of each
3 system¹, before and after the Northern Strategic Plan subsidy, if the allocated rural
4 deficit for Labrador Interconnected Customers were reduced to 1.0.

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7 A. Hydro has assumed that the question above relates to there being no rural deficit
8 allocation for Labrador Interconnected Customers, resulting in a revenue to cost
9 ratio of 1.0. For the purpose of this scenario, Hydro has assumed that all of the
10 rural deficit would be assigned to NP.

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12 Please see the table below for the estimated customer impacts of the change
13 between Hydro's proposed Rural Deficit allocation and the allocation of 100% of the
14 Rural Deficit from the customers of Newfoundland Power.

¹ In this document, unless otherwise specified, the term "each system" refers to the following systems: NP, Island Interconnected, Labrador Interconnected, Island Isolated, Labrador Isolated and L'Anse au Loup systems.

Rate Class	Proposed Average Increase (Decrease)	Average Increase (Decrease) assuming Rural Deficit removed from Labrador Interconnected Rates
ISLAND INTERCONNECTED		
Newfoundland Power (NP) wholesale rate impact	4.1%	4.7%
Estimated end consumers' rate impact	2.8%	3.1%
Estimated Rural Customers' rate impact	2.8%	3.1%
Island Industrial Customers	39.2%	39.2%
ISLAND ISOLATED SYSTEMS		
Domestic	7.1%	7.4%
General Service 0 - 10 kW	18.5%	18.9%
General Service Over 10 kW	19.2%	19.6%
Street and Area Lighting	2.8%	3.1%
Government Departments		
General Service 0 - 10 kW	24.7%	24.7%
General Service Over 10 kW	25.4%	25.4%
Street and Area Lighting	27.5%	27.5%
LABRADOR INTERCONNECTED		
Domestic	1.9%	(10.1%)
General Service 0 - 10 kW	1.9%	(10.1%)
General Service 10-100 kW	1.9%	(10.1%)
General Service 110-1,000 kVA	1.9%	(10.1%)
General Service Over 1,000 kVA	1.9%	(10.1%)
Street and Area Lighting	17.5%	3.7%
LABRADOR ISOLATED SYSTEMS		
Domestic ²	7.1%	7.4%
General Service 0 - 10 kW	18.5%	18.9%
General Service Over 10 kW	19.2%	19.6%
Street and Area Lighting	2.8%	3.1%
Government Departments		
Domestic	21.5%	21.5%
General Service 0 - 10 kW	24.7%	24.7%
General Service Over 10 kW	25.4%	25.4%
Street and Area Lighting	27.5%	27.5%
L'ANSE AU LOUP SYSTEM		
Domestic ³	2.8%	3.1%
General Service 0 - 100 kW	2.8%	3.1%
General Service 110-1000 kVA	2.8%	3.1%
Street and Area Lighting	2.8%	3.1%

² 5.3% increase after NSP is considered.

³ (0.2%) decrease after NSP is considered.