

1     Q.     **Rates**

2             **Re: IN-NLH-108, Rev. 1**

3             Preamble:

4                     Hydro has not presented a table similar to that presented in the original  
5                     version of its response to this RFI, presumably because it does not plan a  
6                     GRA filing in 2016 or 2017.

7             Please present a table similar to that presented in IN-NLH-108 (original version)  
8             presenting projected rate changes for Rural Labrador Interconnected and for  
9             Labrador Isolated Systems for 2016, 2017 and 2018, if there were to be rate  
10            adjustments in those years.

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13    A.     If there were to be rate adjustments in each year, the projected annual rate  
14             changes for the period 2016 and 2017 are provided in the following table:

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	<u>2016</u>	<u>2017</u>
<b>Newfoundland Power</b>		
Base Rate (mills/kWh)	91	92.9
RSP (mills/kWh)	(1.3)	-
Total Rate (mills/kWh)	89.7	92.9
Wholesale Rate Change	7%	4%
<b>Rural/Retail Rate Change</b>	4.8%	2.4%
<b>Island Industrial Customers</b>		
Base Rate (mills/kWh)	66.8	69.1
RSP (mills/kWh)	7.2	(2.4)
Total Rate (mills/kWh)	74.0	66.7
Island Industrial Rate Change	0	-10
<b>Rural Labrador Interconnected</b>	5%	11%

1 It is noted that these projections are based on Hydro's long-term planning model  
2 which uses simplifying assumptions. Retail rates are not available by rate class.  
3 Hydro's proposed 2015 rate changes are included in its Amended Application. Rate  
4 projections are not available for 2018.

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6 In general, changes in base rates are a result of changes in expenses over time.  
7 Schedule 1, page 1, included in Hydro's response to NP-NLH-020 (Revision 1, Dec  
8 19-14) provides Income Statements for 2016 and 2017 and includes the major  
9 expense categories.

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11 Rate increases on the Labrador Interconnected System reflect the increasing costs  
12 associated with the capital program related to the former Twinco assets and  
13 forecast decrease in load requirements.