

1 Q. **Re: IN-NLH-259**

2 Exhibit GCB-5 does explicitly specify the use of “Equivalent Unweighted” customers,
3 but it does not set out the methodology by which this value is to be calculated.
4 Please describe in detail the methodology that consists of dividing NP Total
5 Customer Costs by NP Cost per Rural Customer to determine “Equivalent
6 Unweighted” customers, and provide the original source(s) Hydro relied upon to
7 establish it.

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10 A. Hydro describes its understanding of Mr. G.C. Baker’s methodology for determining
11 “Equivalent Unweighted” customers in its response to PUB-NLH-483. Mr. Baker’s
12 evidence from that proceeding, including GCB-5, is included as PUB-NLH-483
13 Attachment 1.

14

15 The original source Mr. Baker used to calculate “Equivalent Unweighted” customers
16 was the Cost of Service Study filed by Mr. Richard A. Bellin in the 1992/93 Cost of
17 Service proceeding. Mr. Bellin, along with Dr. Robert H. Sarikas, were Hydro’s Cost
18 of Service experts in the 1992/93 proceeding. The calculation of Newfoundland
19 Power’s Equivalent Unweighted customers of 9,574 based on Mr. Bellin’s filed Cost
20 of Service Study and as shown in GCB-5.1, Line 6, Column 4 is shown in the Table
21 below. The related Mr. Bellin’s Schedules are included as IN-NLH-305 Attachment
22 1.

**1992/93 Cost of Service Methodology Proceeding
Calculation of NP Equivalent Unweighted Customers**

Island Interconnected Rural

Line No.

1	Customer Cost	\$	4,178,038	R.A. Bellin Schedule 1.3.1, page 1, line 12, column 5
2	Number of Bills		213,912	R.A. Bellin Schedule 1.3.2, page 1, line 12, column 4
3	Number of Customers		17,826	Line 2 / 12 months
4	Equivalent Unweighted Customer Cost (Note 1)	\$	234.38	Line 1 / Line 3

Note (1) There appears to be an inadvertent discrepancy of \$0.04 between Mr. G.C. Baker's calculation of \$234.34 shown in the footnote to GCB 5.1 and the amount of \$234.38 calculated above.

Labrador Interconnected Rural

Line No.

5	Customer Cost	\$	1,430,919	R.A. Bellin Schedule 1.3.1, page 3, line 11, column 5
6	Number of Bills		90,720	R.A. Bellin Schedule 1.3.2, page 3, line 11, column 4
7	Number of Customers		7,560	Line 2 / 12 months
8	Equivalent Unweighted Customer Cost (Note 2)	\$	189.28	Line 1 / Line 3

Note (2) Reconciles to Mr. G.C. Baker's calculation of \$189.28 shown in the footnote to GCB 5.1.

Newfoundland Power

9	Customer Cost (Specifically Assigned Cost)	\$	2,243,988	R.A. Bellin Schedule 1.3.1, page 1, line 1, column 5
10	Equivalent Unweighted Customer Cost	\$	234.38	Line 4
11	Equivalent Unweighted Customers		9,574	Line 9 / Line 10

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Refer also to Hydro's response to PUB-NLH-483.

Schedule 1.3.1
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NEWFOUNDLAND & LABRADOR HYDRO

1992 Forecast - COS Methodology Hearing

Total Demand, Energy & Customer Amounts

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Rate Class	----- Before Deficit Allocation -----				----- After Deficit Allocation -----				
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer	
		-----	-----	-----	-----	-----	-----	-----	-----	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Island Interconnected										
1	Newfoundland Light & Power	175,286,264	114,823,391	58,218,885	2,243,988	197,395,544	129,306,342	65,562,174	2,527,028	
2	Industrial	37,164,834	19,091,933	17,104,784	968,117	41,852,524	21,500,044	19,262,252	1,090,228	
Rural										
3	1.1 Domestic	8,835,280	5,597,766	1,232,412	2,005,102	---	---	---	---	
4	1.12 Domestic All Electric	11,132,512	8,465,077	1,527,220	1,140,215	---	---	---	---	
5	1.3 Special	26,115	21,813	3,879	423	---	---	---	---	
6	2.1 General Service 0-10 kW	1,448,825	887,839	194,068	366,918	---	---	---	---	
7	2.2 General Service 10-100 kW	3,426,979	2,458,948	648,672	319,359	---	---	---	---	
8	2.3 General Service 110-1,000 kVa	1,410,163	1,041,890	344,544	23,729	---	---	---	---	
9	2.4 General Service Over 1,000 kVa	1,080,531	976,284	103,653	594	---	---	---	---	
10	3.0 General Service AE 0-10 kVa	68,004	46,855	9,108	12,041	---	---	---	---	
11	4.1 Street and Area Lighting	565,986	209,466	46,863	309,657	---	---	---	---	
12	Subtotal Rural	27,994,395	19,705,938	4,110,419	4,178,038					
13	Total Island Interconnected	240,445,493	153,621,262	79,434,088	7,390,143					
		=====	=====	=====	=====					

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NEWFOUNDLAND & LABRADOR HYDRO

1992 Forecast - COS Methodology Hearing

Total Demand, Energy & Customer Amounts

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Rate Class	Before Deficit Allocation				After Deficit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Labrador Interconnected								
1	Industrial - DND	1,255,927	935,563	228,829	91,535	1,414,340	1,053,567	257,692	103,081
2	Industrial - IOCC	2,466,763	2,073,147	393,616	0	2,777,902	2,334,638	443,264	---
	Rural								
3	1.1 Domestic	448,794	223,835	22,218	202,741	505,401	252,068	25,020	228,313
4	1.1A Domestic All Electric	6,343,775	5,014,193	428,240	901,342	7,143,931	5,646,645	482,255	1,015,030
5	Domestic	6,792,569	5,238,028	450,458	1,104,083	7,649,332	5,898,713	507,275	1,243,344
6	2.1 General Service 0-10 kW	150,216	77,274	8,229	64,713	169,163	87,021	9,267	72,875
7	2.2 General Service 10-100 kW	873,501	615,975	88,859	168,667	983,678	693,669	100,067	189,941
8	2.3 General Service 110-1,000 kva	902,276	736,189	135,960	30,127	1,016,082	829,046	153,109	33,927
9	2.4 General Service Over 1,000 kva	846,247	748,164	97,598	485	952,986	842,532	109,908	546
10	4.1 Street and Area Lighting	113,858	46,076	4,938	62,844	128,219	51,888	5,561	70,771
11	Subtotal Rural	9,678,667	7,461,706	786,042	1,430,919	10,899,461	8,402,869	885,187	1,611,404
12	Total Labrador Interconnected	13,401,357	10,470,416	1,408,487	1,522,454	15,091,703	11,791,074	1,586,143	1,714,485

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Schedule 1.3.2

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NEWFOUNDLAND & LABRADOR HYDRO

1992 Forecast - COS Methodology Hearing

Demands, Sales, & Number of Bills

(1)

Line No.	Rate Class	Units		
		Billing Demands	Sales	Bills
		(kW)	(MWh)	(Total No)
Island Interconnected				
1	Newfoundland Light & Power	11,805,000	4,284,100	12
2	Industrial	2,043,300	1,249,200	84
Rural				
3	1.1 Domestic	---	81,864	113,868
4	1.12 Domestic All Electric	---	101,449	64,752
5	1.3 Special	---	258	24
6	2.1 General Service 0-10 kW	---	12,892	17,916
7	2.2 General Service 10-100 kW	163,223	43,088	8,424
8	2.3 General Service 110-1,000 kVa	99,962	23,003	612
9	2.4 General Service Over 1,000 kVa	37,869	6,919	24
10	3.0 General Service AE 0-10 kVa	---	606	588
11	4.1 Street and Area Lighting	---	3,120	7,704
12	Subtotal Rural	---	273,199	213,912

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NEWFOUNDLAND & LABRADOR HYDRO

1992 Forecast - COS Methodology Hearing

Demands, Sales, & Number of Bills

(1)

Line No.	Rate Class	Units		
		Billing Demands	Sales	Bills
		(kW)	(MWh)	(Total No)
Labrador Interconnected				
1	Industrial - DND	---	125,100	12
2	Industrial - IOCC	504,000	220,000	12
Rural				
3	1.1 Domestic	---	11,271	14,484
4	1.1A Domestic All Electric	---	217,222	64,392
5	Domestic	---	228,493	78,876
6	2.1 General Service 0-10 kW	---	4,173	4,032
7	2.2 General Service 10-100 kW	140,662	45,072	5,916
8	2.3 General Service 110-1,000 kVa	203,768	68,965	1,020
9	2.4 General Service Over 1,000 kVa	121,173	52,159	24
10	4.1 Street and Area Lighting	---	2,511	852
11	Subtotal Rural	---	401,373	90,720