

1 **Q. Background**

- 2 1. There are different categories of electricity consumers in the Nunatsiavut region of
3 Labrador, and different types of electricity charges.
- 4 2. The electricity rate structure and rates that apply to different categories of
5 electricity customers and different types of electricity charges are subject to a
6 complex series of conventions, Public Utility Board decisions, provincial government
7 directives, market conditions and other factors that have evolved over years.
- 8 3. To be adequately informed in making interventions concerning the General Rate
9 Application made by the Newfoundland Labrador Hydro, the Nunatsiavut
10 Government requires a clear and unambiguous presentation of the General Rate
11 Application's specific impact on electricity rates that various categories of electricity
12 customers are projected to face beyond 2015 in relation to various types of
13 electricity charges.
- 14 4. In addition, the Nunatsiavut Government has a number of questions to raise
15 concerning the costs, structure, returns and impacts of rates under the General
16 Rate Application to Nunatsiavut residents and businesses.

17

18 That Newfoundland Labrador Hydro provide information on electricity rates for
19 various customer categories and types of charges as specified in the chart below
20 for: a) 2014 rates and charges; b) projected 2015 rates under the 2015 Interim Rate
21 Application; c) electricity rates and charges in a scenario assuming the 2015 Interim
22 Rate Application structure and 2014 average diesel fuel prices; and d) rates under
23 the General Rate Application in 2016 and 2017. Note the first 3 of the rate
24 breakdowns have been provided by Newfoundland and Labrador Hydro in response
25 to Request for Information TIR-NG-NLH-1 associated with the 2015 Interim Rate
26 Application.

- 1 For purposes of consistency, all rates / charges presented shall: a) include all
 2 municipal taxes and applicable rate stabilization adjustments; b) shall not include
 3 HST;
 4

Line No.	CUSTOMER CATEGORY / CHARGE TYPE	2014 Electricity Rates/Charges	Projected 2015 Electricity Rates / Charges Under the 2015 Interim Rate Application	Electricity Rates / Charges Rate in a Scenario Assuming 2015 Interim Rate Application Structure & 2014 Average Diesel Fuel Prices	Project Electricity Rate under the General Rate Application in 2016	Project Electricity Rate under the General Rate Application in 2017
	DOMESTIC DIESEL CATEGORY					
1	Basic Customer Charge					
2	Exceeding 200 Amp Service					
3	Energy Charge: First Block					
4	Energy Charge: Second Block					
5	Energy Charge: Over 1000 kWh					

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	GENERAL SERVICE DIESEL 0-10 kWh					
1	Basic Customer Charge					
2	Energy Charge (all kWh)					
3	Minimum Monthly Charge (Single Phase)					
4	Minimum Monthly Charge (Three Phase)					
5						
6						
	GENERAL SERVICE DIESEL OVER 10 kWh					
7	Basic Customer Charge					
8	Demand Charge					
9	Energy Charge (all kWh)					
10	Minimum Monthly Charge (Single Phase)					
11	Minimum Monthly Charge (Three Phase)					
12						
13						

Additional Information Items

In regards to the basis for any rate increases for the Labrador Isolated customers, please provide additional information to explain what proportion of rate increases proposed for 2016 and 2017 are attributable to:

1. Any reduction to the Cost of Service deficit,
2. Any increase to the rate of return garnered by Newfoundland and Labrador Hydro, relative to the rate of return that was allowable in 2014, and
3. Any changes to the Lifeline Block electricity allowance, and related rates, in particular comparing that Lifeline Block rates under the Northern Strategic Plan in comparison to rates proposed by Newfoundland and Labrador Hydro.

A. NG-NLH-001 Attachment 1 outlines 2014 and 2015 rate components under the assumptions requested. Rates for 2016 are provided under two scenarios. Attachment 1, Column D provides rates assuming the interim decrease of 6.3% and implementation of the deferred 15% rate increase from 2007. NG-NLH-001 Attachment 1, Column E provides rates assuming the Amended Application increase of 2.8% and implementation of the deferred 15% rate increase from 2007.

Assuming that Hydro's proposed 2015 rates are implemented in 2015, the basis for rate increases for the Labrador Isolated customers in 2016 relate solely to the implementation of the deferred 15% rate increase from 2007. Hydro has applied for rates effective in 2015 and thus 2016 rates are not assumed to be affected by changes in the Rural Deficit or Hydro's rate of return in 2016. Changes to the Lifeline Block electricity allowance related to the Northern Strategic Plan are matters that are subject to Government approval.

Hydro is currently not anticipating that rates would change in 2017 as a result of a GRA.

Newfoundland and Labrador Hydro
Comparison of Existing and Proposed Isolated Diesel Rates

NG-NLH-001, Attachment 1
Page 1 of 1, NLH 2013 GRA

		COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Line No.	CUSTOMER CATEGORY/CHARGE TYPE	2014 Electricity Rates/Charges	Projected 2015 Electricity Rates/ Charges Under the 2015 Interim Rate Application ¹	Electricity Rates/ Charges Rate in a Scenario Assuming 2015 Interim Rate Application Structure & 2014 Average Diesel Fuel Prices ²	2016 (Assuming Interim Decrease of 6.3% and Implementation of Deferred 15%)	2016 (Assuming GRA Increase of 2.8% and Implementation of Deferred 15%)
	DOMESTIC DIESEL CATEGORY					
1	Basic Customer Charge	\$ 15.68	\$ 14.69	\$ 14.69	\$ 14.69	\$ 16.12
2	Exceeding 200 Amp Service	\$ 20.68	\$ 19.38	\$ 19.38	\$ 19.38	\$ 21.26
3	Energy Charge: First Block	\$ 0.11178	\$ 0.10474	\$ 0.10474	\$ 0.10474	\$ 0.11491
4	Energy Charge: Second Block	\$ 0.12608	\$ 0.11814	\$ 0.11814	\$ 0.13586	\$ 0.14905
5	Energy Charge: Over 1000 kWh	\$ 0.17095	\$ 0.16018	\$ 0.16018	\$ 0.18420	\$ 0.20208
	GENERAL SERVICE DIESEL 0-10 KWH					
6	Basic Customer Charge	\$ 20.03	\$ 18.77	\$ 18.77	\$ 21.70	\$ 23.81
7	Energy Charge (all kWh)	\$ 0.17073	\$ 0.15997	\$ 0.15997	\$ 0.18438	\$ 0.20229
8	Minimum Monthly Charge (Single Phase)	\$ 20.03	\$ 18.77	\$ 18.77	\$ 21.70	\$ 23.81
9	Minimum Monthly Charge (Three Phase)	\$ 36.73	\$ 34.42	\$ 34.42	\$ 34.42	\$ 37.76
	GENERAL SERVICE DIESEL OVER 10 KWh					
10	Basic Customer Charge	\$ 29.45	\$ 27.59	\$ 27.59	\$ 31.90	\$ 35.00
11	Demand Charge	\$ 13.08	\$ 12.26	\$ 12.26	\$ 14.16	\$ 15.53
12	Energy Charge (all kWh)	\$ 0.16616	\$ 0.15569	\$ 0.15569	\$ 0.17933	\$ 0.19675
13	Minimum Monthly Charge (Single Phase)	\$ 29.45	\$ 27.59	\$ 27.59	\$ 31.90	\$ 35.00
14	Minimum Monthly Charge (Three Phase)	\$ 62.22	\$ 58.30	\$ 58.30	\$ 58.30	\$ 63.96

Notes:

¹ Hydro's Isolated Diesel rates are adjusted in line with Newfoundland Power's rate adjustments, and as such the rates that result from Hydro's 2015 Interim Rate Application will vary depending on Newfoundland Power's rate design. For purposes of this table, the average decrease of 6.3% has been applied evenly across rate classes and all rate components.

² As Hydro's Isolated Diesel rates are adjusted to follow Newfoundland Power's rate design and do not reflect the actuals costs to serve the Isolated Diesel Systems, a change in forecast diesel fuel costs will not materially affect the rates proposed for Isolated Diesel customers; no change from those rates reflected in Column B.