

1 Q. **2013 General Rate Application, Cost of Service**

2 The proposed decrease to residential customers in the L'Anse au Loup System is
3 3.2%, as shown on the table at page 3 of Hydro's correspondence dated July 30,
4 2013. However, footnote 4 states that after the subsidy is considered, the average
5 rate will increase by 4.5%. Provide a more detailed explanation of this rate increase,
6 including all of the data and calculations that show how the proposed decrease of
7 3.2% will be an increase of 4.5% with the subsidy.

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10 A. [] Please see the following table and PUB-NLH-108 Attachment 1 (Revision 1).

Description	Rate Change %
Estimated Island Interconnected rate increase ¹	2.8%
Increase after applying NSP, that is, increasing the Lifeline Block consumption by approximate 1.9%, the rate increase proposed for the Labrador Interconnected Domestic Class ²	2.6%

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¹ Evidence Page 4.40, Line 10 – 14

² Attachment 1, Page 1, Line 15, Column A

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

Line No.		A
	Revenues	
1	Revenues at existing rates, effective July 1, 2014	\$ 1,777,308
2	Proposed GRA rate increase	2.8%
3	=ln1*(1+ln2) Revenue at proposed rates	\$ 1,826,984
	Change in Revenue	
4	=ln1 Revenues at existing rates	\$ 1,777,308
5	=ln3 Revenue at proposed Rates	\$ 1,826,984
6	=ln5-ln4 Change in revenue	\$ 49,676
7	=ln6/ln4 Percentage change in revenue	2.8%
	Including Rebates - Charge to Customers	
8	=ln1 Revenue at existing Rates	\$ 1,777,308
9	=Pg2 ln18 Rebate at existing rates	\$ 620,162
10	=ln8-ln9 Charge to customers	\$ 1,157,146
11	=ln3 Revenue at proposed rates	\$ 1,826,984
12	=Pg2 ln18 Rebate at proposed rates	\$ 640,146
13	=ln11-ln12 Charge to customers	\$ 1,186,838
14	=ln13-ln10 Change in charge to customers	\$ 29,692
15	=ln14/ln10 Percentage change in charge to customers	2.6%

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

Line
No.

A

B

C

Average 1st Block, or "Life Line Block" Consumption

From 2013 Actuals (Used to calculate " kWh's Rebated" in ln7 and ln14)

	Rate Class	Rebate kWh	# Bills	Average 1st Block
1	1.10	3,139,170	5,000	628
2	1.12	3,597,665	4,434	811

Total Northern Strategic Plan Rebate Calculation

	Billing Determinant	Rebates at Existing Rates	Rebates at Proposed Rates
3	Pg3, ln1 and ln3	Basic Customer Charge (\$/bill) 8.53	8.83
4	Pg3, ln2 and ln4	Energy (\$/kWh) 0.07898	0.08149
5	Rate 110		
	Number of Bills	4,884	4,884
6	=ln3	Basic Rebate 8.53	8.83
7	=ln5*ln6	Subtotal \$ 41,661	\$ 43,126
8	=ln1colC*ln5	kWh's Rebated 3,067,152	3,067,152
9	=ln4	\$/kWh 0.07898	0.08149
10	=ln8*ln9	Subtotal \$ 242,165	\$ 249,861
11	=ln7+ln10	Total \$ 283,826	\$ 292,987
12	Rate 112		
	Number of Bills	4632	4632
13	=ln3	Basic Rebate 8.53	8.83
14	=ln12*ln13	Subtotal \$ 39,511	\$ 40,901
15	=ln2colC*ln12	kWh's Rebated 3,756,552	3,756,552
16	=ln4	\$/kWh 0.07898	0.08149
17	=ln15*ln16	Subtotal \$ 296,825	\$ 306,259
18	=ln14+ln17	Total \$ 336,336	\$ 347,159
19	=ln11+ln18	Grand Total \$ 620,162	\$ 640,146

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

Line
No.

		A	B	C
Northern Strategic Plan Rebate Rate Calculation				
	<u>Existing Rates</u>	Island	Labrador	
		Interconnected	Interconnected	Rebate
	Billing Determinant	Existing Rates	Existing Rates	
1	Basic Customer Charge (\$/bill)	15.68	7.15	8.53
2	Energy (\$/kWh)	0.11178	0.03280	0.07898
	<u>Proposed Rebates</u> ¹	Island	Labrador	
		Interconnected	Interconnected	Rebate
	Billing Determinant	Proposed Rates	Proposed Rates	
3	Basic Customer Charge (\$/bill)	16.12	7.29	8.83
4	Energy (\$/kWh)	0.11490	0.03341	0.08149

Notes

- 1 -Existing rates are those in effect as at July 1, 2014.
 -Proposed rates for Island Interconnected are those in effect as at July 1, 2014 plus 2.8%.
 -Proposed rates for Labrador Interconnected are those found in the GRA application, which include a 1.9% increase from existing rates.