

1     Q.     2013 Amended General Rate Application, November 10, 2014, page 4.7, Section  
2           4.3.1, Rural Deficit Allocation: It is stated: “The proposed rate increase for Labrador  
3           Interconnected Rural Customers of 2.1% would increase to approximately 27.8% if  
4           the Existing Methodology was maintained.” Please provide all detailed calculations  
5           and workpapers showing the above mentioned increase of 2.1% and 27.8% in rates  
6           under the proposed and existing methodology.

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9     A.     The detailed analysis shows that the estimated rate increase of 27.8% under the  
10           Existing Methodology referred to in the evidence computes to a 28.1% rate  
11           increase. The table below provides the computation of the 2.1% increase under the  
12           Proposed Methodology and the 28.1% increase under the Existing Methodology.

	<b>Existing Methodology</b>	<b>Proposed Methodology</b>
Revenue Under Existing Rates	\$ 20,093,239.00	\$ 20,093,239.00
Revenue Under Proposed Rates	\$ 25,735,419.00	\$ 20,520,143.00
Percentage Change in Rates	28.1%	2.1%

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15           Please refer to Hydro's response to NP-NLH-321 for details of the 2015 Test Year  
16           Revenue Requirement from customers on the Labrador Interconnected System if  
17           the Existing Methodology was maintained.