

1 Q. 2013 Amended General Rate Application, November 10, 2014, in reference to
2 Section 4.8.2, Isolated Systems, page 4.41: Please provide detailed calculations that
3 show the proposed rate increase of 7.1% for Domestic Diesel customers and
4 approximately 19% for General Service Diesel customers.

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7 A. The requested calculations are provided in the table below.

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Rate Class	Revenues at Existing Rates	Deferred 15% Increase ¹	NP Flow-through Increase ²	Revenue at Proposed Rates	Percentage Increase
Isolated Diesel D1.2 Domestic	\$ 3,621,658	4.2%	2.8%	\$ 3,879,433	7.1%
Isolated Diesel Class D2.1 Small General Service	\$ 760,405	15.3%	2.8%	\$ 901,296	18.5%
Isolated Diesel Class D2.2 Large General Service	\$ 2,044,862	15.9%	2.8%	\$ 2,436,355	19.1%
General Service Total	\$ 2,805,268			\$ 3,337,652	19.0%

Notes

¹ The non-lifeline portion of the Domestic energy rate and both Small and Large General Service diesel rates were forecast to increase by 15% in 2007 to reflect the increased cost of fuel since the previous GRA. These rate changes were not implemented as the revenue requirement effects of the cost increases reflected in the 2007 Test Year for Domestic and General Service diesel customers have been offset by Government funding. At the time of filing Hydro's Amended Application, this funding was scheduled to be discontinued upon new rates being approved upon conclusion of the current GRA. However, in OC2014-372, the Board was directed to establish rates for these customers in 2015 based upon the average rate of change for the customers of Newfoundland Power. Funding for this continued subsidy for 2015 is assumed to be provided by the Government.

² Rates for Rural General Service Customers on the isolated systems are normally adjusted by the average rate of change approved for the customers of Newfoundland Power.