

- 1 Q. (Re: Response to PUB-NLH-113) It is understood that the rural deficit is currently
2 allocated on the basis of the methodology proposed by the Board's consultant in
3 the 1993 review included as Attachment 1 to PUB-NLH-113. Please provide a table
4 comparing current average rates (in cents/kWh), proposed average rates (in
5 cents/kWh) and revenue to cost ratios for NP and Labrador Interconnected
6 customers assuming the rural deficit is allocated as follows: 1) as proposed in the
7 current GRA, 2) on the basis of revenue requirement as proposed by Hydro and the
8 Towns during the 1993 review, and 3) on the basis of 50% revenue requirement and
9 50% energy as proposed by NP during the 1993 review.
- 10
- 11
- 12 A. Please refer to CA-NLH-228 Attachment 1.

Line
No.

A

B

C

Table of Average Rates (¢/kWh)

	Rural Deficit Allocation Scenario			
	Allocation per 2013 Test Year COS	Allocation Based On Revenue Requirement	Allocation Based on 50% Revenue Requirement 50% Energy Sales	
1	Newfoundland Power	8.10	8.18	8.15
	Labrador Interconnected			
2	Domestic	4.42	3.70	3.96
3	2.1 General Service 0-10 kW	8.00	6.06	6.16
4	2.2 General Service 10-100 kW	3.61	2.54	2.87
5	2.3 General Service 110-1,000 kVa	3.13	2.28	2.63
6	2.4 General Service Over 1,000 kVa	2.88	2.18	2.53
7	4.1 Street and Area Lighting	24.49	19.47	18.72

Table of Revenue to Cost Ratios

		Rural Deficit Allocation Scenario		
		Allocation per 2013 Test Year COS	Allocation Based On Revenue Requirement	Allocation Based on 50% Revenue Requirement 50% Energy Sales
8	Newfoundland Power	1.14	1.15	1.14
	<u>Labrador Interconnected</u>			
9	Domestic	1.37	1.15	1.23
10	2.1 General Service 0-10 kW	1.51	1.15	1.17
11	2.2 General Service 10-100 kW	1.63	1.15	1.30
12	2.3 General Service 110-1,000 kVa	1.57	1.15	1.32
13	2.4 General Service Over 1,000 kVa	1.51	1.15	1.33
14	4.1 Street and Area Lighting	1.44	1.15	1.10

Notes:

Support for "Allocation per 2013 Test Year COS" can be found on Page 2 of 4.

Support for "Allocation Based on Revenue Requirement" can be found on Page 3 of 4.

Support for "Allocation Based on 50% Revenue Requirement and 50% Energy Sales" can be found on Page 4 of 4.

Newfoundland and Labrador Hydro Rural Deficit Allocation Scenarios										
		Allocation as per 2013 Test Year Cost of Service								
Line No.	Rate Class	Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credits	Deficit	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6)	Revenue to Cost Coverage (Col.2/3)	Billing Units Energy	Average Rate (Col.2/9) (c/kWh)
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(MWh)	
1	Total Deficit									60,724,682
2	Newfoundland Power	453,009,608	399,122,877	-	53,882,421	-	453,005,298	1.14	5,594,300	Newfoundland Power
Rural Labrador Interconnected										
3	1.1 Domestic	134,181	210,451	-	93,056	-	303,507	0.64	2,258	1.1 Domestic
4	1.1A Domestic All Electric	13,141,457	9,479,157	-	4,191,440	-	13,670,597	1.39	297,866	1.1A Domestic All Electric
5	Domestic Subtotal	13,275,638	9,689,608		4,284,496		13,974,105	1.37	300,124	Domestic Subtotal
6	2.1 General Service 0-10 kW	444,040	293,249	-	129,667	-	422,917	1.51	5,551	2.1 General Service 0-10 kW
7	2.2 General Service 10-100 kW	2,440,610	1,495,529	-	661,285	-	2,156,814	1.63	67,636	2.2 General Service 10-100 kW
8	2.3 General Service 110-1,000 kVa	3,446,780	2,192,754	-	969,580	-	3,162,333	1.57	110,145	2.3 General Service 110-1,000 kVa
9	2.4 General Service Over 1,000 kVa	2,293,616	1,514,647	-	669,738	-	2,184,386	1.51	79,753	2.4 General Service Over 1,000 kVa
10	4.1 Street and Area Lighting	415,895	288,336	-	127,495	-	415,830	1.44	1,698	4.1 Street and Area Lighting
11	Subtotal Rural Labrador Interconnected	22,316,579	15,474,123	-	6,842,261	-	22,316,384	1.44	564,907	
13	TOTALS	475,326,187	414,597,000	-	60,724,682	-	475,321,682		6,159,207	

Newfoundland and Labrador Hydro
Rural Deficit Allocation Scenarios

Allocation of Rural Deficit on the Basis of Revenue Requirement

1	2	3	4	5	6	7	8	9	10	11
Line No.	Rate Class	Cost of Service Before Deficit and Revenue			RSP Activity	Revenue Requirement		Revenue to Cost Coverage (Col.2/3)	Billing Units Energy (MWh)	Average Rate (Col.2/9) (c/kWh)
		Revenues =Col 7 ¹ (\$)	Credit Allocation (\$)	Revenue Credits (\$)		Deficit (\$)	After Deficit and Revenue (Col.3+4+5+6) (\$)			
1	Total Deficit			60,724,682						
2	Newfoundland Power	457,581,114	399,122,877	-	58,458,237	-	457,581,114	1.15	5,594,300	Newfoundland Power
	Rural Labrador Interconnected									
3	1.1 Domestic	241,275	210,451	-	30,824	-	241,275	1.15	2,258	1.1 Domestic
4	1.1A Domestic All Electric	10,867,539	9,479,157	-	1,388,381	-	10,867,539	1.15	297,866	1.1A Domestic All Electric
5	Domestic Subtotal	11,108,814	9,689,608		1,419,206		11,108,814	1.15	300,124	Domestic Subtotal
6	2.1 General Service 0-10 kW	336,201	293,249	-	42,951	-	336,201	1.15	5,551	2.1 General Service 0-10 kW
7	2.2 General Service 10-100 kW	1,714,574	1,495,529	-	219,045	-	1,714,574	1.15	67,636	2.2 General Service 10-100 kW
8	2.3 General Service 110-1,000 kVa	2,513,919	2,192,754	-	321,166	-	2,513,919	1.15	110,145	2.3 General Service 110-1,000 kVa
9	2.4 General Service Over 1,000 kVa	1,736,493	1,514,647	-	221,845	-	1,736,493	1.15	79,753	2.4 General Service Over 1,000 kVa
10	4.1 Street and Area Lighting	330,567	288,336	-	42,232	-	330,567	1.15	1,698	4.1 Street and Area Lighting
11	Subtotal Rural Labrador Interconnected	17,740,568	15,474,123	-	2,266,445	-	17,740,568	1.15	564,907	
13	TOTALS	475,321,682	414,597,000	-	60,724,682	-	475,321,682		6,159,207	

Notes:

¹ Due to time constraints, detailed rate design was not completed. It has been assumed for the purpose of this response that revenue is equal to revenue requirement for each customer rate class.

Newfoundland and Labrador Hydro
Rural Deficit Allocation Scenarios

<u>Allocation of Rural Deficit on the Basis of 50% Revenue Requirement and 50% Energy Sales</u>												
1	2	3	4	5	6	7	8	9	9	10	11	
Line No.	Rate Class	Revenues =Col 7 ¹ (\$)	Cost of Service Before Deficit and Revenue Credit Allocation (\$)	Revenue Credits (\$)	50% Deficit Allocation on Revenue Requirement (\$)	50% Deficit Allocation on Energy Sales (\$)	RSP Activity (\$)	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) (\$)	Revenue to Cost Coverage (Col.2/3) %	Billing Units Energy (MWh)	Average Rate (Col.2/9) (c/kWh)	
1	Total Deficit (50/50 Split)				30,362,341	30,362,341						
2	Newfoundland Power Rural Labrador Interconnected	455,929,579	399,122,877	-	29,229,119	27,577,583	-	455,929,579	1.14	5,594,300	Newfoundland Power	8.15
3	1.1 Domestic	236,994	210,451	-	15,412	11,131		236,994	1.13	2,258	1.1 Domestic	10.50
4	1.1A Domestic All Electric	11,641,704	9,479,157	-	694,191	1,468,356	-	11,641,704	1.23	297,866	1.1A Domestic All Electric	3.91
5	Domestic Subtotal	11,878,698	9,689,608		709,603	1,479,487	-	11,878,698	1.23	300,124	Domestic Subtotal	3.96
6	2.1 General Service 0-10 kW	342,089	293,249	-	21,476	27,364		342,089	1.17	5,551	2.1 General Service 0-10 kW	6.16
7	2.2 General Service 10-100 kW	1,938,469	1,495,529	-	109,523	333,417	-	1,938,469	1.30	67,636	2.2 General Service 10-100 kW	2.87
8	2.3 General Service 110-1,000 kVa	2,896,306	2,192,754	-	160,583	542,969	-	2,896,306	1.32	110,145	2.3 General Service 110-1,000 kVa	2.63
9	2.4 General Service Over 1,000 kVa	2,018,719	1,514,647	-	110,923	393,149	-	2,018,719	1.33	79,753	2.4 General Service Over 1,000 kVa	2.53
10	4.1 Street and Area Lighting	317,822	288,336	-	21,116	8,370	-	317,822	1.10	1,698	4.1 Street and Area Lighting	18.72
11	Subtotal Rural Labrador Interconnected	19,392,103	15,474,123	-	1,133,222	2,784,758	-	19,392,103	1.25	564,907		
13	TOTALS	475,321,682	414,597,000	-	30,362,341	30,362,341	-	475,321,682		6,159,207		

Notes:

¹ Due to time constraints, detailed rate design was not completed. It has been assumed for the purpose of this response that revenue is equal to revenue requirement for each customer rate class.