

IC-NLH-111
2013 NLH General Rate Application

Page 1 of 1

1 Q. Please provide a full rate reconciliation, in the form of IC-NLH-089 (along with
2 miscellaneous revenues as required), for each of: (a) the revenue requirement of
3 \$567,817,669 per Exhibit 13, (b) the proposed revenues of \$565,737,000 per
4 Finance Schedule III, and (c) the existing revenues of \$477,072,000 per Finance
5 Schedule II.

6

7

8 A. Please see IC-NLH-111 Attachment 1. The Cost of Service Revenue of \$567,818,789
9 per Exhibit 13 has been used for this reconciliation rather than the Revenue
10 Requirement of \$567,817,669. The difference between Cost of Service Revenue and
11 revenue requirement is due to rate rounding.

Newfoundland and Labrador Hydro
Comparison of Revenues and RSP at Existing and Proposed Rates

IC-NLH-111, Attachment 1
Page 1 of 4, NLH 2013 GRA

Line No.		A	B	C	D	E
		Dec 31/13 Existing Rates	Jan 1/14 Proposed Rates	Difference	% Change	
Newfoundland Power						
1	Firm	\$381,524,259	\$453,009,608	\$71,485,349	18.7%	Page 3 of 4, Line 4
2	RSP	29,817,619	(61,593,243)	(91,410,862)	-306.6%	Page 3 of 4, Line 7
3	Total Firm NP	\$411,341,878	\$391,416,365	(\$19,925,513)	-4.8%	
Industrial						
4	Firm	\$21,277,568	\$28,952,325	\$7,674,757	36.1%	Page 3 of 4, Line 17
5	Industrial Non-Firm	-	-	-	0.0%	
	RSP	(4,547,300)	-	4,547,300	-100.0%	Page 3 of 4 Line 17. No Jan 1 RSP calculated at the time of filing, as the matter was included in a separate application.
6						
7	CFB Goose Bay	877,416	877,416	-	0.0%	
8	Rural Island Interconnected	49,981,671	48,364,264	(1,617,407)	-3.2%	NP Net Increase applied to Revenue at Existing Rates.
9	Rural Isolated Systems	8,769,492	9,461,516	692,024	7.9%	NP Net Increase applied to Revenue at Existing Rates, plus deferred 2007 rate increase.
10	L'Anse au Loup Rural Labrador Interconnected	2,819,845	2,728,595	(91,250)	-3.2%	NP Net Increase applied to Revenue at Existing Rates.
11	Domestic	10,539,517	13,275,638	2,736,121	26.0%	
12	GS 2.1L 0 - 10 kW	345,523	444,040	98,517	28.5%	
13	GS 2.2L 10 - 100 kW	2,092,676	2,440,610	347,934	16.6%	
14	GS 2.3L 110 - 1000 kVA	2,948,842	3,446,780	497,938	16.9%	
15	GS 2.4L Over 1000 kVA	1,884,055	2,293,616	409,561	21.7%	
16	Street & Area Lighting	291,185	415,895	124,710	42.8%	
17	Rural Labrador Interconnected Total	\$18,101,798	\$22,316,579	\$4,214,781	23.3%	
18	Grand Total	\$508,622,368	\$504,117,060	(\$4,505,308)	-0.9%	

Newfoundland and Labrador Hydro
Comparison of Revenues and RSP at Existing and Proposed Rates

IC-NLH-111, Attachment 1
Page 2 of 4, NLH 2013 GRA

Line No.	A	B
Reconciliation to the Cost of Service Revenue , Sch 1.2, Page 1 of 6, Column 2, Line 15		
1 Revenue from Proposed Rates	\$504,117,060	Page 1 of 4, Col B, Line 18
2 Add Newfoundland Power RSP	61,593,243	Page 1 of 4, Col B, Line 2 RSP is excluded from the Income Statement.
3 Add non-regulated revenue - Labrador Interconnected Industrial	2,108,486	Labrador Interconnected Industrial included for COS Purposes.
4 Total	<u>567,818,789</u>	
5 Revenue from the Cost of Service	<u>\$567,818,789</u>	
Reconciliation to Proposed Revenues per Finance Schedule III, Page 1 of 2, Line 2		
6 Revenue from Proposed Rates	\$504,117,060	Page 1 of 4, Col B, Line 18
7 Add Newfoundland Power RSP	61,593,243	Page 1 of 4, Col B, Line 2 RSP is excluded from the Income Statement.
8 Add Application Fee Revenue	26,868	Application Fees are considered an expense credit in the Cost of Service Study, but a revenue item for Finance Schedule III.
9 Total	<u>565,737,171</u>	
10 Finance Schedule III	<u>\$565,737,000</u>	Rounding
Reconciliation to Existing Revenues per Finance Schedule II, Page 1 of 1, Line 2		
11 Revenue from Existing Rates	\$508,622,368	Page 1 of 4, Col A, Line 18
12 Deduct for Newfoundland Power RSP	(29,817,619)	Page 1 of 4, Col A, Line 2 RSP is excluded from the Income Statement.
13 Add change in calculation of NP demand revenue	3,447,032	Page 4 of 4, Line 15
14 Add Industrial Customer RSP	4,547,300	Col A , Line 15 RSP is excluded from the Income Statement.
15 Add Application Fee Revenue	26,868	Application Fees are considered an expense credit in the Cost of Service Study, but a revenue item for Finance Schedule II.
16 Deduct Rural Rate Alteration	(9,891,559)	The Rural Rate Alteration is included in the Rate Stabilization Plan and is therefore an adjustment to revenue.
17 Deduct Labrador Interconnected rate class 2.4 normalization	(262,650)	Please refer to Section 4 of Hydro's 2013 General Rate Application Volume 1, Page 4.14 Line 14 to Page 4.15 Line 4.
18 Add Deferred 15% rate increase Isolated System Government Subsidy	400,000	Included as revenue, but excluded above as it is not included in rates.
19 Total	<u>477,071,740</u>	
20 Finance Schedule II	<u>\$477,072,000</u>	Rounding

Newfoundland and Labrador Hydro
Comparison of Revenues and RSP at Existing and Proposed Rates

IC-NLH-111, Attachment 1
Page 3 of 4, NLH 2013 GRA

Line No.		Units	Existing Dec 31, 2012		Proposed		Reference
			Rates	Revenues	Units	Rates	
Newfoundland Power:							
1	Demand:	13,929,036 kW	4.00 \$/kW/mo.	55,716,144		9.12 \$/kW/mo.	127,032,808 Exhibit 13, Schedule 1.4
2	Energy:						
2	First Block	3,000,000 MWh	32.46 mills/kWh	97,380,000	3,360,000	27.86 mills/kWh	93,609,600 Exhibit 13, Schedule 1.4
3	Second Block	2,594,300 MWh	88.05 mills/kWh	<u>228,428,115</u>	2,234,300	104.00 mills/kWh	<u>232,367,200</u> Exhibit 13, Schedule 1.4
				<u>325,808,115</u>			<u>325,976,800</u>
4	Demand and Energy			381,524,259			453,009,608
5	Current Plan	5,594,300 MWh	(11.01) mills/kWh	(61,593,243)		(11.01) mills/kWh	(61,593,243) July 2013 approved RSP rate
6	Fuel Rider	5,594,300 MWh	16.34 mills/kWh	<u>91,410,862</u>		mills/kWh	- Fuel Rider eliminated in new test year
7	RSP and Fuel Rider			<u>29,817,619</u>			<u>(61,593,243)</u>
8	Total (Includes RSP)			<u>411,341,878</u>			<u>391,416,365</u>
Island Industrial - Firm:							
9	Demand:	835,400 kW	6.68 \$/kW/mo.	5,580,472		9.13 \$/kW/mo.	7,627,202 Exhibit 13, Schedule 1.3
10	Energy:	408,400 MWh	36.76 mills/kWh	15,012,784		47.82 mills/kWh	19,529,688 Exhibit 13, Schedule 1.3
11	Specifically Assigned:	VALE		-			533,724 Response to IC-NLH-87
12		CBPP - CBK		347,167			941,708 Response to IC-NLH-87
13		CBPP - DLK		-			3,246 Response to IC-NLH-87
14		NARL		150,976			101,748 Response to IC-NLH-87
15		Teck Resources		<u>186,169</u>			<u>215,009</u> Response to IC-NLH-87
16				<u>684,312</u>			<u>1,795,436</u>
17	Subtotal			21,277,568			28,952,326
	RSP: Historical	408,400 MWh	mills/kWh	-		mills/kWh	-
	RSP: Current Plan						
	Praxair	4,300 MWh	(20.00) mills/kWh	(86,000)		mills/kWh	
	VALE	34,300 MWh	(20.00) mills/kWh	(686,000)		mills/kWh	
	CBPP - CBK	80,100 MWh	(7.85) mills/kWh	(628,785)		mills/kWh	
	CBPP - DLK	MWh	mills/kWh	-		mills/kWh	
	NARL	217,900 MWh	(7.85) mills/kWh	(1,710,515)		mills/kWh	
	Teck Resources	71,800 MWh	(20.00) mills/kWh	(1,436,000)		(11.11) mills/kWh	(797,698)
	Total	408,400 MWh	mills/kWh	-		mills/kWh	-
	Fuel Rider	408,400 MWh	mills/kWh	-		mills/kWh	-
	Total (Includes RSP)			<u>16,730,268</u>			<u>28,154,628</u>

Newfoundland and Labrador Hydro
Comparison of NP Revenues and RSP at Existing and Proposed Rates

Line No.		
Revenues at Existing Rates		
1	A. Maximum Native Load	15,358,127
2	B. Less: Generation Credit (See Note 1)	<u>(1,415,160)</u>
3	C. Net Native Load (A + B)	13,942,967
4	D. Weather Adjustment (See Note 1)	625,815
5	E. Weather Adjustment True-up	222,012
6	F. Billing Demand (kW) (C + D + E) (See Note 1)	<u>14,790,794</u>
Revenues at Proposed Rates		
7	G. Maximum Native Load	15,371,532
8	H. Less: Generation Credit (See Note 1)	<u>(1,442,496)</u>
9	I. Net Native Load (G + H)	13,929,036
	J. Weather Adjustment	0
	K. Weather Adjustment True-up	0
10	L. Billing Demand (kW) (I + J + K) (See Note 1)	<u>13,929,036</u>
11	M. Billing Demand Difference (kW) (F - L)	861,758
12	N. Billing Demand Rate (\$/kW)	\$4
13	O. Demand Revenue Difference (M * N)	<u><u>\$3,447,032</u></u>

Note 1 - The Weather Adjustment (D) is 625,815 kW for 9 months which is 834,420 kW for 12 months.

This means that the 834,420 kW that are part of the 14,790,794 kW Billing Demand (F) should be excluded and the adjusted Billing Demand (F) would be 13,956,374 kW.

The difference between 13,956,374 kW and 13,929,036 kW (L) is 27,338 kW.

With exception for 2 kW of rounding, the 27,338 kW is the difference between Generation Credits (B - H) at Existing rates versus Proposed rates.