

1    Q.    **Re: NLH Evidence, Section 4, page 4.14, lines 10-13**

2        Please describe the implications that would occur for each rate class of each  
3        system<sup>1</sup>, before and after the Northern Strategic Plan subsidy, if the allocated rural  
4        deficit for Labrador Interconnected Customers were reduced to 1.0.

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7    A.    Hydro has assumed that the question above relates to there being no rural deficit  
8        allocation for Labrador Interconnected Customers, resulting in a revenue to cost  
9        ratio of 1.0. For the purpose of this scenario, Hydro has assumed that all of the  
10       rural deficit would be assigned to NP.

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12       Please see the table below for the estimated customer impacts.

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<sup>1</sup> In this document, unless otherwise specified, the term “each system” refers to the following systems: NP, Island Interconnected, Labrador Interconnected, Island Isolated, Labrador Isolated and L’Anse au Loup systems.

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Rate Class	Proposed Average Increase (Decrease)	Average Increase (Decrease) assuming Rural Deficit removed from Labrador Interconnected Rates
<b>ISLAND INTERCONNECTED</b>		
Newfoundland Power (NP) wholesale rate impact	(4.8%)	(3.2%)
Estimated end consumers' rate <sup>2</sup> impact	(3.2%)	(2.1%)
Estimated Rural Customers' rate impact	(3.2%)	(2.1%)
Industrial Customers (IC)	73.1%	73.1%
<b>ISLAND ISOLATED SYSTEMS</b>		
Domestic	0.9%	1.9%
General Service 0 - 10 kW	11.6%	12.9%
General Service Over 10 kW	11.5%	12.9%
Street and Area Lighting	(3.2%)	(2.1%)
<b>GOVERNMENT DEPARTMENTS</b>		
General Service 0 - 10 kW	22.0%	22.0%
General Service Over 10 kW	27.5%	27.5%
Street and Area Lighting	16.8%	16.8%
<b>LABRADOR INTERCONNECTED</b>		
Domestic	26.0%	(12.7%)
General Service 0 - 10 kW	28.5%	(12.7%)
General Service 10-100 kW	16.6%	(10.9%)
General Service 110-1,000 kVA	16.9%	(19.2%)
General Service Over 1,000 kVA	22.0%	(18.9%)
Street and Area Lighting	42.8%	(15.6%)
<b>LABRADOR ISOLATED SYSTEMS</b>		
Domestic <sup>2</sup>	0.9%	1.9%
General Service 0 - 10 kW	11.6%	12.9%
General Service Over 10 kW	11.5%	12.9%
Street and Area Lighting	(3.2%)	(2.1%)
<b>GOVERNMENT DEPARTMENTS</b>		
Domestic	17.7%	17.7%
General Service 0 - 10 kW	22.0%	22.0%
General Service Over 10 kW	27.5%	27.5%
Street and Area Lighting	16.8%	16.8%
<b>L'ANSE AU LOUP SYSTEM</b>		
Domestic <sup>3</sup>	(3.2%)	(2.1%)
General Service 0 - 10 kW	(3.2%)	(2.1%)
General Service Over 10 kW	(3.2%)	(2.1%)
Street and Area Lighting	(3.2%)	(2.1%)

<sup>2</sup> 1.0% increase after NSP is considered.

<sup>3</sup> (3.6%) decrease after NSP is considered.