

1    Q.    **Reference:    Finance**

2              Provide a comparison of the 2014 forecast revenues from each Island  
3              Interconnected class using the rates proposed in the Application to the 2014  
4              forecast costs for each class. In the response, provide the revenue to cost ratios for  
5              each class with the 2014 forecast costs for each class determined based upon a  
6              2014 forecast cost of service study.

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9    A.    Please see NP-NLH-029 Attachment 1, which shows the 2014 Island Interconnected  
10        revenues, allocated costs, and revenue to cost ratios for each rate class. It should  
11        be noted that since Rate Class 2.1 has now been combined with Rate Class 2.2, 2014  
12        data is shown only for the combined rate class. There were some assumptions  
13        made regarding the non-plant related portions of rate base, but these assumptions  
14        are anticipated to have little impact on the results.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**2014 Forecast Cost of Service**  
**Island Interconnected**  
**Comparison of Revenue & Allocated Revenue Requirement**

Line No.	Rate Class	1	2	3	4	5	6	7	8	2013 Test Year
		Cost of Service Before Deficit and Revenue Credit Allocation			Revenue Credit	Deficit Allocation	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6)	Revenue to Cost Coverage (Col.2/3)	Revenue to Cost Coverage (Exhibit 13)
		Revenues	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
<b>Island Interconnected</b>										
1	Newfoundland Power	475,496,974	425,808,606	(22,477)	55,743,321			481,529,450		
2	NP RSP Activity	5,748,694				5,748,694		5,748,694		
3	<b>Subtotal Newfoundland Power</b>	<b>481,245,668</b>	<b>425,808,606</b>	<b>(22,477)</b>	<b>55,743,321</b>	<b>5,748,694</b>		<b>487,278,144</b>	<b>1.13</b>	<b>1.14</b>
4	Industrial - Firm	40,136,977	38,985,976	(2,058)				38,983,918		
5	Industrial - Non-Firm	38,580	10,080	28,500				38,580		
6	Industrial RSP Activity	694,540			694,540			-		
7	<b>Subtotal Industrial</b>	<b>40,870,097</b>	<b>38,996,056</b>	<b>26,442</b>	<b>-</b>	<b>694,540</b>		<b>39,022,498</b>	<b>1.05</b>	<b>1.00</b>
8	<b>Unallocated RSP Hydraulic Variation</b>	<b>1,841,577</b>					<b>1,841,577</b>			
<b>Rural</b>										
9	1.1 Domestic	13,805,376	22,507,034	(1,188)	(8,700,470)			13,805,376	0.61	0.62
10	1.12 Domestic All Electric	16,400,130	26,009,198	(1,373)	(9,607,695)			16,400,130	0.63	0.61
11	1.3 Special	18,868	64,884	(3)	(46,013)			18,868	0.29	0.30
12	2.1 General Service 0-10 kW	-	-	-	-			-	0.00	0.72
13	2.2 General Service 10-100 kW	9,805,971	14,926,841	(788)	(5,120,083)			9,805,971	0.66	0.73
14	2.3 General Service 110-1,000 kVa	5,368,241	7,198,600	(380)	(1,829,979)			5,368,241	0.75	0.79
15	2.4 General Service Over 1,000 kVa	2,956,100	3,129,844	(165)	(173,580)			2,956,100	0.94	0.80
16	4.1 Street and Area Lighting	951,110	1,288,720	(68)	(337,542)			951,110	0.74	0.75
17	<b>Subtotal Rural</b>	<b>49,305,795</b>	<b>75,125,121</b>	<b>(3,966)</b>	<b>(25,815,361)</b>	<b>-</b>		<b>49,305,795</b>	<b>0.66</b>	<b>0.66</b>
18	<b>Total Island Interconnected</b>	<b>573,263,137</b>	<b>539,929,783</b>	<b>-</b>	<b>29,927,960</b>	<b>8,284,811</b>		<b>575,606,437</b>	<b>1.06</b>	<b>1.06</b>