

1 Q. **2013 General Rate Application, Cost of Service**

2 The proposed decrease to residential customers in the L'Anse au Loup System is
3 3.2%, as shown on the table at page 3 of Hydro's correspondence dated July 30,
4 2013. However, footnote 4 states that after the subsidy is considered, the average
5 rate will increase by 4.5%. Provide a more detailed explanation of this rate increase,
6 including all of the data and calculations that show how the proposed decrease of
7 3.2% will be an increase of 4.5% with the subsidy.

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10 A. Please note that the figure 4.5% has been misstated, and should be noted as an
11 increase of 4.3%.

Description	Rate Change %
Estimated Island Interconnected rate decrease ¹	(3.2%)
Increase after applying NSP, that is, increasing the Lifeline Block consumption by approximate 26%, the rate increase proposed for the Labrador Interconnected Domestic Class ²	4.3%

12 Please see PUB-NLH-108 Attachment 1.

¹ Evidence Page 4.4, Line 7

² Attachment 1, Page 1, Line 17, Column A

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

Line No.			A
	Revenues		
1	Revenue at rate effective July 1, 2012	\$	1,778,340
2	Forecast July 1, 2013 RSP flow through decrease		-3.0%
3	=ln1*(1+ln2) Revenues at existing rates	\$	1,724,990
4	Proposed GRA rate decrease		-3.2%
5	=ln3*(1+ln4) Revenue at proposed rates	\$	1,669,170
	Change in Revenue		
6	=ln3 Revenues at existing rates	\$	1,724,990
7	=ln5 Revenue at proposed Rates	\$	1,669,170
8	=ln7-ln6 Change in revenue	\$	(55,821)
9	=ln8/ln6 Percentage change in revenue		-3.2%
	Including Rebates - Charge to Customers		
10	=ln3 Revenue at existing Rates	\$	1,724,990
11	=Pg2 ln18 Rebate at existing rates	\$	599,619
12	=ln10-ln11 Charge to customers	\$	1,125,372
13	=ln5 Revenue at proposed rates	\$	1,669,170
14	=Pg2 ln18 Rebate at proposed rates	\$	495,504
15	=ln10-ln11 Charge to customers	\$	1,173,666
16	=ln15-ln12 Change in charge to customers	\$	48,294
17	=ln16/ln12 Percentage change in charge to customers		4.3%

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

Line
No.

A

B

C

Average 1st Block, or "Life Line Block" Consumption

From 2012 Actuals (Used to calculate " kWh's Rebated" in ln7 and ln14)

	Rate Class	Rebate kWh	# Bills	Average 1st Block
1	1.10	3,168,070	5,089	623
2	1.12	3,503,195	4,319	811

Total Northern Strategic Plan Rebate Calculation

	Billing Determinant	Rebates at Existing Rates	Rebates at Proposed Rates
3	Pg3, ln1 and ln3	Basic Customer Charge (\$/bill)	8.53
4	Pg3, ln2 and ln4	Energy (\$/kWh)	0.07665
5	Rate 110		
	Number of Bills	4,896	4,896
6	=ln3	Basic Rebate	8.53
7	=ln5*ln6	Subtotal	\$ 41,763
			\$ 30,110
8	kWh's Rebated	3,050,208	3,050,208
9	=ln4	\$/kWh	0.07665
10	=ln8*ln9	Subtotal	\$ 233,798
			\$ 197,043
11	=ln7+ln10	Total	\$ 275,561
			\$ 227,154
12	Rate 112		
	Number of Bills	4584	4584
13	=ln3	Basic Rebate	8.53
14	=ln12*ln13	Subtotal	\$ 39,102
			\$ 28,192
15	kWh's Rebated	3,717,624	3,717,624
16	=ln4	\$/kWh	0.07665
17	=ln15*ln16	Subtotal	\$ 284,956
			\$ 240,159
18	=ln14+ln17	Total	\$ 324,057
			\$ 268,350
19	=ln11+ln18	Grand Total	\$ 599,619
			\$ 495,504

Newfoundland and Labrador Hydro
L'Anse au Loup Detailed Rate Change Explanation

PUB-NLH-108, Attachment 1
Page 3 of 3, NLH 2013 GRA

Line
No.

		A	B	C
Northern Strategic Plan Rebate Rate Calculation				
	<u>Existing Rates</u>	Island	Labrador	
		Interconnected	Interconnected	Rebate
	Billing Determinant	Existing Rates	Existing Rates	
1	Basic Customer Charge (\$/bill)	15.68	7.15	8.53
2	Energy (\$/kWh)	0.10945	0.03280	0.07665
	<u>Proposed Rebates</u> ¹	Island	Labrador	
		Interconnected	Interconnected	Rebate
	Billing Determinant	Proposed Rates	Proposed Rates	
3	Basic Customer Charge (\$/bill)	15.17	9.02	6.15
4	Energy (\$/kWh)	0.10591	0.04131	0.06460

Notes

- 1 -Existing rates are those in effect as at July 1, 2013.
 -Proposed rates for Island Interconnected are those in effect as at July 1, 2013 less 3.236%.
 -Proposed rates for Labrador Interconnected are those found in the GRA application, which include a 26% increase from existing rates.