

1 Q. Assume that a deferral and recovery adjustment, based on the rates proposed in
2 NLH's 2013 GRA, had taken effect on July 1, 2014. Please provide a table showing
3 the implied percentage increases in rates (inclusive of recovery charge), as of July 1,
4 for each customer class on NLH's Labrador Interconnected system.

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7 A. Hydro's February 11, 2014 Amended Application, Section 11, requests that rates be
8 made interim for all of Hydro's Rural Customers "so that Hydro may obtain an order
9 for a deferral and recovery mechanism, or such other order as the Board may grant,
10 whereby it would defer any revenue shortfall between interim rates and the rates
11 to be approved on a final basis, with such shortfall to be recovered from customers
12 over a period of time to be approved by the Board." The estimated percentage
13 increases in rates (inclusive of recovery charge), as of July 1, for each customer class
14 on Hydro's Labrador Interconnected System are shown in IR-LWHN-NLH-005,
15 Attachment 1. This assumes the following:

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- 17 • that Labrador Interconnected Rural Customers' rates are approved as
18 interim as of April 1, 2014; and
19 • that a deferral and recovery adjustment, based on the rates proposed in
20 Hydro's 2013 GRA, had taken effect on July 1, 2014 as hypothesized in the
21 question above.

Newfoundland and Labrador Hydro
Implied Percentage Rate Increases Inclusive of the Revenue Shortfall Deferral Recovery

IR-LWHN-NLH-005 Attachment 1
Page 1 of 1, NLH 2013 Interim Rates

Line No.		A	B	C	D	E	F
		2013 Test Year Revenues at Existing Rates	2013 Test Year Revenues at Proposed Rates	Revenue Shortfall Deferral Recovery (1)	2013 Test Year Revenues at Proposed Rates Including Revenue Shortfall Deferral	2013 Test Year Proposed Rate Increases	2013 Test Year Proposed Rate Increases Including Revenue Shortfall Deferral
					D=B+C	E=(B-A)/A	F=(D-A)/A
1	Domestic	10,539,517	13,275,638	192,807	13,468,445	26.0%	27.8%
2	2.1 General Service 0-10 kW	345,523	444,040	8,823	452,863	28.5%	31.1%
3	2.2 General Service 10-100 kW	2,092,676	2,440,610	27,750	2,468,360	16.6%	18.0%
4	2.3 General Service 110-1000 kVa	2,948,843	3,446,781	37,894	3,484,675	16.9%	18.2%
5	2.4 General Service over 1000 kVa	1,884,055	2,293,616	32,695	2,326,311	21.7%	23.5%
6	4.1 Street Lights	291,185	415,895	10,956	426,851	42.8%	46.6%
		G	H				
		Total Deferral (3)	Recovery (2)				
	Calculation of Revenue Shortfall Deferral Recovery:		H=G/3				
7	Domestic	578,421	192,807				
8	2.1 General Service 0-10 kW	26,470	8,823				
9	2.2 General Service 10-100 kW	83,250	27,750				
10	2.3 General Service 110-1000 kVa	113,682	37,894				
11	2.4 General Service over 1000 kVa	98,085	32,695				
12	4.1 Street Lights	32,867	10,956				
13	Total	932,776	310,925				

Notes:

(1) Revenue Shortfall Deferral assumes Hydro is approved for Interim Rates effective April 1, 2014, and Final Rates July 1, 2014.

(2) Assumes Revenue Shortfall Deferral has a three-year recovery period.

(3) Total Deferral is equal to the difference between 2014 revenues at current rates and 2014 revenues at proposed rates for the period of April 1, 2014 to June 30, 2014.