

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		2013 Test Year		Revenue	2013 Test Year		2013 Test Year		Proposed Rate	2013 Test Year	
	Revenues at Existing Rates	Revenues at Proposed Rates	Shortfall	Revenues at Proposed Rates	Revenue Deferral Recovery	Including Revenue (1)	Shortfall	Deferral	Increases	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		Recovery (2)									
	(3)		H=G/3									
Calculation of Revenue Shortfall Deferral Recovery:												
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	<u>932,776</u>	<u>310,925</u>										

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.