

1    Q.    Hydro is proposing “Recovery for the Deferral Account over a three-year period  
2            commencing once final rates become effective”. Please provide the forecast  
3            recovery amounts and rate impacts by system and customer class assuming final  
4            rates become effective October 1, 2014.

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7    A.    Please see IR-NP-NLH-042 Attachment 1.

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9            Please note that all customers who either directly or indirectly follow  
10          Newfoundland Power Rates (Island Interconnected and Isolated Diesel Non-  
11          government rate classes) will see the same flow-through percentage impact from  
12          Newfoundland Power (found on Page 1 of 1, IR-NP-NLH-042 Attachment 1). As  
13          Hydro does not establish published rates for these customers, the impact of  
14          proposed 2013 Test Year rates would be captured by the Rural Rate Alteration as  
15          the difference between published rates set by Newfoundland Power and Hydro’s  
16          final 2013 Test Year rates.

**Newfoundland and Labrador Hydro  
Revenue Shortfall Recovery Rate Impacts**

IR-NP-NLH-042 Attachment 1  
Page 1 of 3, NLH 2013 Interim Rates

Line No.	A	B	C	D	E	F	G	H	I	J
	2014 Existing		2014 Proposed		Existing		Proposed		Percent	Flow-through to
	Billing	Unit	Billing	Unit	Rates	\$	Rates	\$	Change	End Consumer
	Units		Units							
1 Demand (kW)	14,730,984	\$/kW/mo	14,730,984	\$/kW/mo	4.00	58,923,936	9.12	134,346,574		
2 Energy (MWhs)	3,000,000	mills/kWh	3,360,000	mills/kWh	32.46	97,380,000	27.86	93,609,600		
3 Energy (MWhs)	2,740,200	mills/kWh	2,380,200	mills/kWh	88.05	241,274,610	104.00	247,540,800		
4 Base Rate Revenue, Before Revenue Shortfall Deferral Recovery Adjustment:						<u>397,578,546</u>		<u>475,496,974</u>	19.6%	13.1%
5 Revenue Shortfall Deferral Recovery <sup>1</sup>			5,740,200	mills/kWh	0	0	(0.50)	(2,870,100)	-0.7%	-0.5%
6 Base Rate Revenue, Including Revenue Shortfall Recovery Adjustment:						<u>397,578,546</u>		<u>472,626,874</u>	18.9%	12.6%
7 RSP: Current Plan	5,740,200	mills/kWh	5,740,200	mills/kWh	(9.77)	(56,081,754)	(9.77)	(56,081,754)		
8 RSP: Fuel Rider	5,740,200	mills/kWh	5,740,200	mills/kWh	12.81	73,531,962	(3.59)	(20,607,318)		
9 Total RSP					3.04	<u>17,450,208</u>	(13.36)	<u>(76,689,072)</u>		
10 Base Rate Revenue, Including Revenue Shortfall Recovery Adjustment and RSP:						<u>415,028,754</u>		<u>395,937,802</u>	-4.6%	-3.1%

<sup>1</sup> Revenue Shortfall Recovery Rate Calculation

11 Base Rate Variance	\$	61,807,213	= Difference between revenue at existing rates and revenue at proposed rates, January 1 2014 to September 30 2014
12 Fuel Rider	\$	(70,227,247)	= NP Fuel Rider calculated at 16.34 mills/kWh January 1 2014 to September 30 2014.
13 Total:	\$	(8,420,034)	= Line 11 + Line 12
14 Annual Amortization:	\$	(2,806,678)	= Line 13 / 3
15 2013 Test Year MWhs		5,594,300	
16 Mills/kWh		(0.50)	= Line 14 / Line 15

**Newfoundland and Labrador Hydro**  
**Revenue Shortfall Recovery Rate Impacts - Labrador Interconnected**

IR-NP-NLH-042 Attachment 1  
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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	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	\$ 309,261	\$ 13,584,899	26.0%	28.9%
2	2.1 General Service 0-10 kW	\$ 345,523	\$ 444,040	\$ 15,543	\$ 459,583	28.5%	33.0%
3	2.2 General Service 10-100 kW	\$ 2,092,676	\$ 2,440,610	\$ 47,075	\$ 2,487,685	16.6%	18.9%
4	2.3 General Service 110-1000 kVa	\$ 2,948,843	\$ 3,446,781	\$ 65,340	\$ 3,512,121	16.9%	19.1%
5	2.4 General Service over 1000 kVa	\$ 1,884,055	\$ 2,293,616	\$ 57,282	\$ 2,350,898	21.7%	24.8%
6	4.1 Street Lights	\$ 291,185	\$ 415,895	\$ 21,912	\$ 437,807	42.8%	50.4%

	G	H
	Total Deferral	Annual Recovery
		H=G/3
7	Domestic	\$ 927,782 \$ 309,261
8	2.1 General Service 0-10 kW	\$ 46,629 \$ 15,543
9	2.2 General Service 10-100 kW	\$ 141,226 \$ 47,075
10	2.3 General Service 110-1000 kVa	\$ 196,021 \$ 65,340
11	2.4 General Service over 1000 kVa	\$ 171,847 \$ 57,282
12	4.1 Street Lights	\$ 65,735 \$ 21,912
13	Total	\$ 1,549,239 \$ 516,413

**Notes:**

Revenue Shortfall Deferral assumes Interim Rates are approved effective April 1 2014, and Final Rates October 1, 2014.

Assumes Revenue Shortfall Deferral has a three year recovery period.

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 September 30, 2014.

**Newfoundland and Labrador Hydro**  
**Revenue Shortfall Recovery Rate Impacts - Isolated Diesel Government**

IR-NP-NLH-042 Attachment 1  
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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	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 Government	\$ 419,711	\$ 494,152	\$ 10,045	\$ 504,197	17.7%	20.1%
2	2.1 Government 0-10 kW	\$ 407,172	\$ 497,253	\$ 12,496	\$ 509,749	22.1%	25.2%
3	2.2 Government Over 10 kW	\$ 921,427	\$ 1,176,806	\$ 33,230	\$ 1,210,036	27.7%	31.3%
4	4.1 Government Street Lights	\$ 12,532	\$ 15,419	\$ 436	\$ 15,855	23.0%	26.5%

G	H
	<b>Annual Recovery</b>
<b>Total Deferral</b>	

**Calculation of Revenue Shortfall Deferral Recovery:**

$$H=G/3$$

5	Domestic Government	\$ 30,135	\$ 10,045
6	2.1 Government 0-10 kW	\$ 37,488	\$ 12,496
7	2.2 Government Over 10 kW	\$ 99,691	\$ 33,230
8	4.1 Government Street Lights	\$ 1,309	\$ 436
		<u>\$ 168,623</u>	<u>\$ 56,207</u>

**Notes:**

Revenue Shortfall Deferral assumes Interim Rates are approved effective April 1 2014, and Final Rates October 1, 2014.

Assumes Revenue Shortfall Deferral has a three year recovery period.

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 September 30, 2014.