

- 1 Q. Provide a full explanation and reconciliation of the variance in the rates proposed in
2 the Interim Rates Application with the rates proposed in the General Rate
3 Application for each of Hydro's rate classes.
4
5
6 A. Please see IR-PUB-NLH-001 Attachment 1.

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Line No.		A	B	C
	Rate Class	GRA Increase (Decrease)	Interim Increase (Decrease)	Note
	ISLAND INTERCONNECTED			
1	Newfoundland Power (NP) wholesale rate impact	-4.8%	-5.4%	1
2	Estimated end customer rate impact	-3.2%	-3.6%	1
3	Estimated Rural Customer rate impact	-3.2%	-3.6%	1
4	Industrial Customers (IC)	73.1%	58.9%	2
	ISLAND ISOLATED SYSTEMS			
5	Domestic	0.9%	-3.6%	3
6	General Service 0 - 10 kW	11.6%	-3.6%	3
7	General Service Over 10 kW	11.5%	-3.6%	3
8	Street and Area Lighting	-3.2%	-3.6%	3
	Government Departments			
9	General Service 0 - 10 kW	22.0%	22.0%	4
10	General Service Over 10 kW	27.5%	27.5%	4
11	Street and Area Lighting	16.8%	21.4%	4
	LABRADOR ISOLATED SYSTEMS			
12	Domestic	0.9%	-3.6%	3
13	General Service 0 - 10 kW	11.6%	-3.6%	3
14	General Service Over 10 kW	11.5%	-3.6%	3
15	Street and Area Lighting	-3.2%	-3.6%	3
	Government Departments			
16	Domestic	17.7%	17.7%	4
17	General Service 0 - 10 kW	22.0%	22.0%	4
18	General Service Over 10 kW	27.5%	27.5%	4
19	Street and Area Lighting	16.8%	21.4%	4
	L'ANSE AU LOUP SYSTEM			
20	Domestic	-3.2%	-3.6%	1
21	General Service 0 - 10 kW	-3.2%	-3.6%	1
22	General Service Over 10 kW	-3.2%	-3.6%	1
23	Street and Area Lighting	-3.2%	-3.6%	1

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Note 1: Please see the detailed calculation of both NP and end consumer decreases below.

Line No.	<u>GRA:</u> Newfoundland Power:	2013 Units	Existing Dec 31 2013		2013 Units	(GRA) Proposed Jan 1 2014		Percent of Total Increase (Decrease)
			Rates	Revenues		Rates	Revenues	
1	Demand:	13,929,036 kW	4.00 \$/kW/mo.	55,716,144	14,730,984 kW	9.12 \$/kW/mo.	127,032,808	
	Energy:							
2	First Block	3,000,000 MWh	32.46 mills/kWh	97,380,000	3,360,000 MWh	27.86 mills/kWh	93,609,600	
3	Second Block	2,594,300 MWh	88.05 mills/kWh	228,428,115	2,380,200 MWh	104.00 mills/kWh	232,367,200	
4	Demand and Energy			325,808,115			325,976,800	17.4%
	RSP: Current (Eff. Jul 1 - Annl Impact)							
5	Fuel Rider	5,594,300 MWh	(11.01) mills/kWh	(61,593,243)	5,740,200 MWh	(11.01) mills/kWh	(61,593,243)	
6	RSP and Fuel Rider	5,594,300 MWh	16.34 mills/kWh	91,410,862	5,740,200 MWh	0.00 mills/kWh	0	
7				29,817,619			(61,593,243)	-22.2%
8	Total (Includes RSP)			411,341,878			391,416,365	-4.844%
9	Retail Share							66.8%
10	End Consumer Impact							-3.2%

	<u>Interim:</u> Newfoundland Power:	2014 Units	Existing Dec 31 2013		2014 Units	(Interim) Proposed Jan 1 2014		Percent of Total Increase (Decrease)
			Rates	Revenues		Rates	Revenues	
11	Demand:	14,730,984 kW	4.00 \$/kW/mo.	58,923,936	14,730,984 kW	9.12 \$/kW/mo.	134,346,574	
	Energy:							
12	First Block	3,000,000 MWh	32.46 mills/kWh	97,380,000	3,360,000 MWh	27.86 mills/kWh	93,609,600	
13	Second Block	2,740,200 MWh	88.05 mills/kWh	241,274,610	2,380,200 MWh	104.00 mills/kWh	247,540,800	
14	Demand and Energy			397,578,546			475,496,974	18.2%
	RSP: Current (Eff. Jul 1 - Annl Impact)							
15	Fuel Rider	5,740,200 MWh	(11.01) mills/kWh	(63,199,602)	5,740,200 MWh	(11.01) mills/kWh	(63,199,602)	
16	RSP and Fuel Rider	5,740,200 MWh	16.34 mills/kWh	93,794,868	5,740,200 MWh	(1.25) mills/kWh	(7,175,250)	
17				30,595,266			(70,374,852)	-23.6%
18	Total (Includes RSP)			428,173,812			405,122,122	-5.380%
19	Retail Share							66.8%
20	End Consumer Impact							-3.6%

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Note 2: Please see the detailed calculations for the IC increases below

Line **GRA:**

No.			Existing Dec 31 2012			(GRA) Proposed Jan 1 2014			Total Increase	Increase
		Units		Rates	Revenues		Rates	Revenues	(Decrease)	(Decrease)
	Island Industrial - Firm:									
1	Demand:	835,400 kW	6.68	\$/kW/mo.	5,580,472	9.13	\$/kW/mo.	7,627,202	12.2%	
2	Energy:	408,400 MWh	36.76	mills/kWh	15,012,784	47.82	mills/kWh	19,529,688	27.0%	
3	Specifically Assigned:				684,312			1,795,436	6.6%	
4	Subtotal				21,277,568			28,952,326	45.9%	36.1%
	RSP: Current Plan									
5	Consumption at -20.00 mills/kWh	110,400 MWh	(20.00)	mills/kWh	(2,208,000)		mills/kWh			
6	Consumption at -7.85 mills/kWh	298,000 MWh	(7.85)	mills/kWh	(2,339,300)		mills/kWh			
7	Total	408,400 MWh		mills/kWh		0.00	mills/kWh		27.2%	
8	Fuel Rider	408,400 MWh		mills/kWh			mills/kWh		0.0%	
9	Total (Includes RSP)				16,730,268			28,952,326	73.1%	

Interim:

<u>Interim:</u>						<u>Existing Dec 31 2012</u>		<u>(Interim) Proposed Jan 1 2014</u>		<u>Percent of</u>	<u>Base Rate</u>	
		<u>Units</u>			<u>Rates</u>	<u>Revenues</u>			<u>Rates</u>	<u>Revenues</u>	<u>Total Increase</u>	<u>Increase</u>
										<u>(Decrease)</u>	<u>(Decrease)</u>	
Island Industrial - Firm:												
10	Demand:	1,059,000	kW	6.68	\$/kW/mo.	7,074,120		9.13	\$/kW/mo.	9,668,670	10.3%	
11	Energy:	599,600	MWh	36.76	mills/kWh	22,041,296		47.82	mills/kWh	28,672,872	26.3%	
12	Specifically Assigned:					684,312				1,795,436	4.4%	
13	Subtotal					29,799,728				40,136,978	40.9%	34.7%
RSP: Current Plan												
14	Consumption at -20.00 mills/kWh	110,400	MWh	(20.00)	mills/kWh	(2,208,000)			mills/kWh			
15	Consumption at -7.85 mills/kWh	298,000	MWh	(7.85)	mills/kWh	(2,339,300)			mills/kWh			
16	Total	599,600	MWh		mills/kWh			0.00	mills/kWh	-	18.0%	
17	Fuel Rider	599,600	MWh		mills/kWh	0			mills/kWh	0	0.0%	
18	Total (Includes RSP)					25,252,428				40,136,978	58.9%	

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Note 3: Hydro's 2013 Test Year General Rate Application included a deferred 15% increase that is only applicable once Hydro applies for new rates for all customer classes. In absence of the 15% deferred rate increase, all non-government isolated diesel system customers will receive the same end consumer increase as calculated in Note 1.

Note 4: Isolated diesel System Government rates remain unchanged. Government area and street lighting average increase has changed due to a forecast change in volume and variety of streetlights. Otherwise, absolute rates have not changed and remain those cost based rates derived from the 2013 Test Year Cost of Service, that were proposed in Hydro's original General Rate Application.