

**IR-PUB-NLH-001 (Revision 1, Dec 12-13)  
NLH 2013 Interim Rates Application**

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- 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.

**Newfoundland and Labrador Hydro**  
**Comparison of GRA Application and Interim Application Rates**

| Line<br>No.                                     | A                          | B                              | C    |
|---|----------------------------|--------------------------------|------|
| Rate Class                                      | GRA Increase<br>(Decrease) | Interim Increase<br>(Decrease) | Note |
| <b>ISLAND INTERCONNECTED</b>                    |                            |                                |      |
| 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    |
| <b>ISLAND ISOLATED SYSTEMS</b>                  |                            |                                |      |
| 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    |
| <b>Government Departments</b>                   |                            |                                |      |
| 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    |
| <b>LABRADOR ISOLATED SYSTEMS</b>                |                            |                                |      |
| 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    |
| <b>Government Departments</b>                   |                            |                                |      |
| 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    |
| <b>L'ANSE AU LOUP SYSTEM</b>                    |                            |                                |      |
| 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    |

## **Newfoundland and Labrador Hydro Comparison of GRA Application and Interim Application Rates**

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

**Newfoundland and Labrador Hydro**  
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**Note 2:** Please see the detailed calculations for the IC increases below

| Line                             | <u>GRA:</u>                     | No. | Units        | Existing Dec 31 2012 |                   | (GRA) Proposed Jan 1 2014     |                   | Percent of Total Increase (Decrease) | Base Rate Increase (Decrease) |
|----------------------------------|---------------------------------|-----|--------------|----------------------|-------------------|-------------------------------|-------------------|--------------------------------------|-------------------------------|
|                                  |                                 |     |              | Rates                | Revenues          | Rates                         | Revenues          |                                      |                               |
| <b>Island Industrial - Firm:</b> |                                 |     |              |                      |                   |                               |                   |                                      |                               |
| 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)       |                               |                   |                                      |                               |
| 6                                | Consumption at -7.85 mills/kWh  |     | 298,000 MWh  | (7.85) mills/kWh     | (2,339,300)       |                               |                   |                                      |                               |
| 7                                | Total                           |     | 408,400 MWh  |                      |                   | 0.00 mills/kWh                |                   | 27.2%                                |                               |
| 8                                | Fuel Rider                      |     | 408,400 MWh  |                      |                   |                               |                   | 0.0%                                 |                               |
| 9                                | Total (Includes RSP)            |     |              |                      | <u>16,730,268</u> |                               | <u>28,952,326</u> |                                      | <b>73.1%</b>                  |
| <br><b>Interim:</b>              |                                 |     |              |                      |                   |                               |                   |                                      |                               |
|                                  |                                 |     | Units        | Existing Dec 31 2012 |                   | (Interim) Proposed Jan 1 2014 |                   | Percent of Total Increase (Decrease) | Base Rate Increase (Decrease) |
| <b>Island Industrial - Firm:</b> |                                 |     |              |                      |                   |                               |                   |                                      |                               |
| 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)       |                               |                   |                                      |                               |
| 15                               | Consumption at -7.85 mills/kWh  |     | 298,000 MWh  | (7.85) mills/kWh     | (2,339,300)       |                               |                   |                                      |                               |
| 16                               | Total                           |     | 599,600 MWh  |                      |                   | 0.00 mills/kWh                | -                 | 18.0%                                |                               |
| 17                               | Fuel Rider                      |     | 599,600 MWh  |                      |                   |                               | 0                 | 0.0%                                 |                               |
| 18                               | Total (Includes RSP)            |     |              |                      | <u>25,252,428</u> |                               | <u>40,136,978</u> |                                      | <b>58.9%</b>                  |

**Newfoundland and Labrador Hydro**  
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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.