1   Q.   In the response to PUB-NLH-17 Hydro provided information concerning a forecast

2   increase in load for years subsequent to the test year. Since the problems

3   experienced with the load variation component of the Rate Stabilization Plan

4   appear to result from a significant decrease in load from that forecast for the test

5   year, please provide a comparison of the same scenarios set out in PUB-NLH-17,

6   showing a significant reduction in forecast load for 2014, 2015 and 2016 from that

7   forecast for the 2013 test year. Please set out all assumptions used.

8

9

10   A.   In order to illustrate the impacts of forecast load decreases for NP and IC relative to

11   the 2013 Test Year, only scenarios (ii), (iii) and (vii) initially provided in the response

12   to PUB-NLH-17 have been updated, as outlined below. Scenarios (i), (iv), (v) and (vi)

13   are not relevant to the above question.

14

15   (ii)   100 GWh load reduction for IC for 2014 to 2016 compared to the 2013 Test

16   Year forecast and current forecast load for NP for 2014 to 2016;

17   (iii)   100 GWh load reduction for NP for 2014 to 2016 compared to the 2013 Test

18   Year forecast and current forecast load for IC for 2014 to 2016; and

19   (vii)   100 GWh load reduction for both NP and IC for 2014 to 2016 compared to

20   the 2013 Test Year forecast.

Scenario (ii): 100 GHW load reduction for IC for 2014 to 2016 relative to the 2013 Test Year and current forecast load for NP for 2014 to 2016

Line No		A	B	C	D	E	F	G	H	I	J	K
									reallocate	Reallocate Rural Island Customers[4]		
		Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation[3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
		(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
				(B-A)			C x {(D/O^2) - E}				(G+H)	(J-F)
1	2014 Utility	5,594,300,000	5,740,200,000	145,900,000	107.98	0.10400	10,568,691	(2,024,027)	(142,261)	(18,069)	(2,166,287)	(12,734,978)
2	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	(108,744)			(108,744)	12,753,047
3	Rural Island		454,700,000					(160,330)				
4	Total		6,503,300,000				(2,293,100)	(2,293,100)			(2,275,031)	18,069
5	2015 Utility	5,594,300,000	5,792,500,000	198,200,000	107.98	0.10400	14,357,193	1,321,553	91,825	11,663	1,413,378	(12,943,815)
6	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	70,361			70,361	12,932,152
7	Rural Island		453,600,000					103,488				
8	Total		6,554,500,000				1,495,403	1,495,403			1,483,739	(11,663)
9	2016 Utility	5,594,300,000	5,858,400,000	264,100,000	107.98	0.10400	19,130,852	5,555,219	373,910	47,492	5,929,129	(13,201,723)
10	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	292,440			292,440	13,154,231
11	Rural Island		444,400,000					421,402				
12	Total		6,611,200,000				6,269,061	6,269,061			6,221,569	(47,492)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.

2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.

3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.

4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (iii): 100 GHW load reduction for NP for 2014 to 2016 relative to the 2013 Test Year and current forecast load for IC for 2014 to 2016

PUB-NLH-21
Attachment 2

			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
Line No			Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh) (B-A)	Cost of Service No. 6 Fuel Cost[1] ($Can/bbl.)	Firm Energy Rate ($/kWh)	Load Variation ($) $C \times \{(D/O^2) - E\}$	Allocation of Load Variation[3] ($)	Utility ($)	Labrador Interconnected ($)	Total Load Variation ($) (G+H)	Load Variation Difference ($) (J-F)
1	2014	Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	14,554,998	1,068,797	135,753	15,623,795	22,867,586
2		Industrial Customers	408,400,000	599,600,000	191,200,000	107.98	0.04782	24,591,744	1,588,406			1,588,406	(23,003,339)
3		Rural Island		454,700,000					1,204,550				
4		Total		6,548,600,000				17,347,953	17,347,953			17,212,201	(135,753)
5	2015	Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	32,343,676	2,369,303	300,936	34,712,978	41,956,769
6		Industrial Customers	408,400,000	772,300,000	363,900,000	107.98	0.04782	46,804,057	4,546,352			4,546,352	(42,257,705)
7		Rural Island		453,600,000					2,670,238				
8		Total		6,720,200,000				39,560,266	39,560,266			39,259,330	(300,936)
9	2016	Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	50,695,736	3,638,343	462,122	54,334,078	61,577,869
10		Industrial Customers	408,400,000	959,600,000	551,200,000	107.98	0.04782	70,894,191	8,854,199			8,854,199	(62,039,992)
11		Rural Island		444,400,000					4,100,465				
12		Total		6,898,300,000				63,650,400	63,650,400			63,188,278	(462,122)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.

2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.

3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.

4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

		A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]		
Line No		Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation[3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
		(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
				(B-A)			$C \times \{(D/O^2) - E\}$				(G+H)	(J-F)
1	2014 Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	(17,653,674)	(1,296,338)	(164,654)	(18,950,011)	(11,706,221)
2	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	(990,917)			(990,917)	11,870,874
3	Rural Island		454,700,000					(1,460,991)				
4	Total		6,257,400,000				(20,105,582)	(20,105,582)			(19,940,928)	164,654
5	2015 Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	(17,656,778)	(1,293,429)	(164,284)	(18,950,207)	(11,706,416)
6	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	(991,091)			(991,091)	11,870,700
7	Rural Island		453,600,000					(1,457,713)				
8	Total		6,256,300,000				(20,105,582)	(20,105,582)			(19,941,297)	164,284
9	2016 Utility	5,594,300,000	5,494,300,000	(100,000,000)	107.98	0.10400	(7,243,791)	(17,682,780)	(1,269,062)	(161,189)	(18,951,842)	(11,708,051)
10	Industrial Customers	408,400,000	308,400,000	(100,000,000)	107.98	0.04782	(12,861,791)	(992,550)			(992,550)	11,869,240
11	Rural Island		444,400,000					(1,430,251)				
12	Total		6,247,100,000				(20,105,582)	(20,105,582)			(19,944,392)	161,189

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.

2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.

3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.

4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.