Functional Classification of Purchased Power Cost

NP - 22
1992(G)

Q. Provide the 1992 Forecast Cost of Service Study which was used by Hydro to derive the present rate being charged to Newfoundland Power (45.31 mills), and which incorporates the changes recommended by the Board in its April 1992 Report.

A. Refer to the attached Cost of Service Study, pages 1-60. The Final Cost of Service resulting from the 1992 Rate Hearing incorporates recommendations contained in the PUB report, as well as Cabinet's decisions regarding rural rates.

Schedule 3.2A
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NEWFOUNDLAND & LABRADOR HYDRO

1992 Forecast - FINAL
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	(1) Total Amount	(2) Production Demand	(3) Productn & Transmissn Energy	(4) Transmission Demand	(5) Distribution: Substations Demand	(6) Distribution: Primary Demand	(7) Distribution: Primary Customer	(8) Distribution: Transformers Demand	(9) Distribution: Transformers Customer	(10) Distribution: Secondary Demand	(11) Distribution: Secondary Customer	(12) Distribution: Services Customer	(13) Distribution: Meters Customer	(14) Distribution: St Lighting Customer	(15) Distribution: Accounting Customer	(16) Specifically Assigned Customer
		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
	Total Allocated Revenue Requirement																
25	Newfoundland Light & Power	171,839,067	71,263,387	77,210,161	21,119,090	---	---	---	---	---	---	---	---	---	---	---	2,246,429
26	Industrial	40,327,099	12,668,790	22,674,382	3,813,507	---	---	---	---	---	---	---	---	---	---	---	970,420
	Rural																
27	1.1 Domestic	8,912,883	1,688,764	1,634,403	500,298	898,056	1,813,347	590,617	84,847	404,366	227,104	115,454	173,226	160,466	---	621,933	---
28	1.12 Domestic AE	11,067,983	2,491,914	2,025,423	738,180	1,377,566	2,781,514	335,657	130,151	229,946	348,352	65,655	98,506	91,251	---	353,666	---
29	1.3 Special	25,990	6,589	5,143	1,950	3,540	7,103	124	333	86	896	24	37	34	---	131	---
30	2.1 GS 0-10 kW	1,481,642	324,402	257,380	96,100	126,599	255,614	92,927	11,959	63,622	32,012	18,166	54,511	50,495	---	97,855	---
31	2.2 GS 10-100 kW	3,522,716	877,058	860,244	259,818	355,898	718,642	43,694	33,629	29,915	90,011	8,542	101,438	95,819	---	46,011	---
32	2.3 GS 110-1,000 kVa	1,496,638	469,477	456,901	139,091	130,093	237,349	3,174	11,105	1,960	29,719	560	7,198	6,668	---	3,343	---
33	2.4 GS Over 1,000 kva	1,146,694	566,301	137,468	167,714	86,100	160,532	124	7,509	86	20,102	24	313	290	---	131	---
34	3.8 GS AE 0-10 kVa	69,911	19,399	12,095	5,737	6,022	12,177	3,050	569	2,088	1,519	596	1,789	1,658	---	3,212	---
35	4.1 Street & Area Lghtng	577,576	63,414	62,142	18,749	38,476	77,729	39,959	3,639	27,358	---	7,811	---	---	196,181	42,078	---
36	Total	240,468,199	90,639,495	105,335,742	26,860,274	3,022,349	6,064,007	1,109,526	283,741	759,427	749,715	216,832	439,018	406,681	196,181	1,168,362	3,216,849

Classification Factors for Purchased Power

PURCHASE POWER COST CLASSIFICATION FACTORS

The data below is taken from the NLH COS Results for 1992, presented in response to the information request NP-22
- The Cost of Service Model resulted in the 45.31 mills which is the current rate charged the Company
- The cost of service model showed that the amount of rural subsidy included in the 45.31 was $22,243,999.

CLASSIFIED REVENUE REQUIREMENT

Schedule 3.2A, Page 1 of 2, 25-May-92	Total	Production Demand	Production Energy	Transmission Demand	Specifically Assigned	Line No.
Allocated Rev. Req. before Margin	165,063,175	68,254,880	74,607,092	20,056,240	2,144,963	Line 1
Allocated Margin	6,775,892	3,008,507	2,603,069	1,062,850	101,466	Line 14
Total	171,839,067	71,263,387	77,210,161	21,119,090	2,246,429	

ALLOCATED RURAL DEFICIT

	Deficit Allocation	Line No.
Schedule 1.2, Page 2 of 4, 25-May-92	22,243,999	Line 1

Splits to be used by NP in its classification of its purchase power expenses. Tranmission is separated from Production because of the potential for a different allocator being used for transmission and production. Specifically Assigned Costs are related to transmission.

	Total	Purchased and Produced Demand	Energy
Nfld. Hydro - Production (Before Deficit Allocation)	$148,473,548	$71,263,387	$77,210,161
Classification Factors	100.0%	48.0%	52.0%
Nfld. Hydro - Transmission (Before Deficit Allocations)	$23,365,519	$23,365,519	$0
Classification Factors		100.0%	0.0%
TOTAL NLH SALES TO NP	$171,839,067	$94,628,906	$77,210,161

To split purchase power costs between production and transmission, the following ratio is used:

	Total	Production	Transmission
	$171,839,067	$148,473,548	$23,365,519
Purchase Power Split	100.0%	86.4%	13.6%

Island Interconnected 2002 Forecast System Load Factor 60.8%
From Schedule G, page 96 of 98, to Hydro's filling of August 16, 2002 subsequent to Order No. 7 (2002-03) and Order No. 16 (2002-03).