

## **Classification Splits for Hydro Production**

NEWFOUNDLAND & LABRADOR HYDRO  
2002 Forecast Cost of Service (P.U. 7 & P.U. 16 2002-03, Revised Aug. 2002)

System Load Factor

Line No.	1	2	3	4	5	6
		Island Interconnected	Island Isolated	Labrador Isolated	L'Anse au Loup	Labrador Interconnected
1	Sales+Losses for System Load Factor (MWh)	6,483,046	11,362	37,125	13,357	975,100
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	740,074	1,297	4,238	1,525	111,313
4	Coincident Peak at Generation (kW)	1,217,539	3,742	9,627	3,097	189,411
5	System Load Factor	60.78%	34.66%	44.02%	49.23%	58.77%

**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**

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	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. Transmission 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
Purchase Power Split	\$171,839,067	\$148,473,548	\$23,365,519
	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 filing of August 16, 2002 subsequent to Order No. 7 (2002-03) and Order No. 16 (2002-03).