
1 Q. **Reference: Finance**

2 Provide a comparison of the 2014 forecast revenues from each Island
3 Interconnected class using the rates proposed in the Application to the 2014
4 forecast costs for each class. In the response, provide the revenue to cost ratios for
5 each class with the 2014 forecast costs for each class determined based upon a
6 2014 forecast cost of service study.

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9 A. Please see NP-NLH-029 Attachment 1, which shows the 2014 Island Interconnected
10 revenues, allocated costs, and revenue to cost ratios for each rate class. It should
11 be noted that since Rate Class 2.1 has now been combined with Rate Class 2.2, 2014
12 data is shown only for the combined rate class. There were some assumptions
13 made regarding the non-plant related portions of rate base, but these assumptions
14 are anticipated to have little impact on the results.

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Forecast Cost of Service
Island Interconnected
Comparison of Revenue & Allocated Revenue Requirement

Line No.	1 Rate Class	2 Revenues (\$)	3 Cost of Service Before Deficit and Revenue Credit Allocation (\$)	4 Revenue Credit (\$)	5 Deficit Allocation (\$)	6 RSP Activity (\$)	7 Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) (\$)	8 Revenue to Cost Coverage (Col.2/3)	2013 Test Year Revenue to Cost Coverage (Exhibit 13)
Island Interconnected									
1	Newfoundland Power	475,496,974	425,808,606	(22,477)	55,743,321		481,529,450		
2	NP RSP Activity	5,748,694				5,748,694	5,748,694		
3	Subtotal Newfoundland Power	481,245,668	425,808,606	(22,477)	55,743,321	5,748,694	487,278,144	1.13	1.14
4	Industrial - Firm	40,136,977	38,985,976	(2,058)			38,983,918		
5	Industrial - Non-Firm	38,580	10,080	28,500			38,580		
6	Industrial RSP Activity	694,540				694,540	-		
7	Subtotal Industrial	40,870,097	38,996,056	26,442	-	694,540	39,022,498	1.05	1.00
8	Unallocated RSP Hydraulic Variation	1,841,577				1,841,577			
Rural									
9	1.1 Domestic	13,805,376	22,507,034	(1,188)	(8,700,470)		13,805,376	0.61	0.62
10	1.12 Domestic All Electric	16,400,130	26,009,198	(1,373)	(9,607,695)		16,400,130	0.63	0.61
11	1.3 Special	18,868	64,884	(3)	(46,013)		18,868	0.29	0.30
12	2.1 General Service 0-10 kW	-	-	-	-		-	0.00	0.72
13	2.2 General Service 10-100 kW	9,805,971	14,926,841	(788)	(5,120,083)		9,805,971	0.66	0.73
14	2.3 General Service 110-1,000 kVa	5,368,241	7,198,600	(380)	(1,829,979)		5,368,241	0.75	0.79
15	2.4 General Service Over 1,000 kVa	2,956,100	3,129,844	(165)	(173,580)		2,956,100	0.94	0.80
16	4.1 Street and Area Lighting	951,110	1,288,720	(68)	(337,542)		951,110	0.74	0.75
17	Subtotal Rural	49,305,795	75,125,121	(3,966)	(25,815,361)	-	49,305,795	0.66	0.66
18	Total Island Interconnected	573,263,137	539,929,783	-	29,927,960	8,284,811	575,606,437	1.06	1.06