

1 Q. Explain the impact of load increases or decreases on Hydro's regulated earnings between rate
2 hearings (i.e., positive impact, negative impact, or no earnings impact) for each of the following:

3 a) For the billing demand and firm energy for Newfoundland Power;

4 b) For the billing demand, firm energy and non-firm demand/energy for the Island
5 Industrial Customers;

6 c) For the demand, energy and non-firm demand/energy for Hydro Rural Labrador
7 Interconnected;

8 d) For the demand and energy for Hydro Rural Subsidized Classes; and

9 e) For the transmission demand, energy and non-firm demand/energy for Labrador
10 Industrial.

11 In the response, illustrate the transactional relationships to the load variation component of the
12 existing Supply Cost Variance Deferral Account ("SCVDA") and the proposed Long Term Supply
13 Cost Variance Deferral Account (LT SCVDA").

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16 A. Please refer to PUB-NLH-001, Attachment 1 for the impact of load increases or decreases on
17 Newfoundland and Labrador Hydro's regulated earnings between rate hearings. The proposed
18 Long-Term Supply Cost Variance Deferral Account ("SCVDA") does not change the treatment of
19 load variances relative to the existing SCVDA. Any differences relate to the underlying load
20 components resulting from the proposed rate design rather than the operation of the load
21 variation mechanism itself.

Impact of Load Increases or Decreases on Newfoundland and Labrador Hydro's Regulated Earnings Between Rate Hearings ¹

Reference	Customer Group	Component	Load	Regulated Earnings Impact	SCVDA Treatment
PUB-NLH-001 a)	Newfoundland Power Inc.	Energy	Increase	No impact	Deferred
PUB-NLH-001 a)	Newfoundland Power Inc.	Demand	Increase	Positive	None
PUB-NLH-001 b)	Island Industrial Customers	Energy	Increase	No impact	Deferred
PUB-NLH-001 b)	Island Industrial Customers	Demand	Increase	Positive	None
PUB-NLH-001 b)	Island Industrial Customers	Non-Firm Energy	Increase	No impact	Deferred if supplied by hydraulic generation
PUB-NLH-001 b)	Island Industrial Customers	Non-Firm Demand	Increase	N/A	N/A
PUB-NLH-001 c)	Rural Labrador Interconnected	Energy	Increase	Positive	None
PUB-NLH-001 c)	Rural Labrador Interconnected	Demand	Increase	Positive	None
PUB-NLH-001 c)	Rural Labrador Interconnected	Non-Firm Energy	Increase	No impact	Deferred
PUB-NLH-001 c)	Rural Labrador Interconnected	Non-Firm Demand	Increase	N/A	N/A
PUB-NLH-001 d)	Rural subsidized classes ²	Energy	Increase	No impact	Deferred
PUB-NLH-001 d)	Rural subsidized classes ²	Demand	Increase	No impact	Deferred
PUB-NLH-001 d)	Rural subsidized classes ³	Energy	Increase from volume	Positive	None
PUB-NLH-001 d)	Rural subsidized classes ³	Energy	Increase from rate	No impact	Deferred
PUB-NLH-001 d)	Rural subsidized classes ³	Demand	Increase from volume	Positive	None
PUB-NLH-001 d)	Rural subsidized classes ³	Demand	Increase from rate	No impact	Deferred
PUB-NLH-001 e)	Labrador Industrial	Energy	Increase	N/A	N/A
PUB-NLH-001 e)	Labrador Industrial	Demand	Increase	Positive	None
PUB-NLH-001 e)	Labrador Industrial	Non-Firm Energy	Increase	N/A	N/A
PUB-NLH-001 e)	Labrador Industrial	Non-Firm Demand	Increase	N/A	N/A

¹ The table illustrates the impact of load increases on regulated net earnings. Load decreases would result in corresponding impacts of equal magnitude in the opposite direction with the exception of demand for Newfoundland Power Inc., which has a minimum billing demand.

² Island Interconnected Systems.

³ Isolated Systems.