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January 27, 2017

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – 2013 General Rate Application – Order No.
P.U. 49(2016) Compliance Application**

A. Application Overview

The Application

In Order No. P.U.49(2016) (the GRA Order), the Board of Commissioners of Public Utilities (the Board) made a number of determinations on proposals contained in, and matters arising from, Newfoundland and Labrador Hydro's (Hydro) 2013 Amended General Rate Application (the Amended GRA).

Enclosed please find the original and 12 copies of an application made in compliance with the directions of the Board contained in the GRA Order. The Application proposes customer rates and rules and regulations governing service to be effective April 1, 2017.

Summary of Customer Rate Impacts

The annualized billing impact of implementing the proposed Utility base rate and the new fuel rider is a 2.3% increase. The end-consumer impact on customers of Newfoundland Power is estimated at an approximate 1.5% increase. The annualized billing impact of implementing the proposed Island Industrial Customer rate is an average 7.1% increase. The proposed rate change for the Hydro Rural Island Interconnected customers and customers in L'Anse au Loup equal the proposed rate increase of 1.5% to the customers of Newfoundland Power. The proposed rate change for customers on the Labrador Interconnected system is an overall increase of 1.0% with a 0.8% increase applied equally to each rate class with the exception of Street and Area Lighting (16% increase).

B. Evidence in Support of the Application

General

The evidence in support of Hydro's Compliance Application is contained in the Exhibits to the Application. A brief description of each Exhibit follows.

Exhibit 1: GRA Compliance Report – Overview

Exhibit 1 to the Compliance Application provides a high level summary of the evidence filed in support of Hydro's Compliance Application.

Exhibit 2: GRA Compliance Report– Computation of Revenue Requirements

Exhibit 2, *GRA Compliance Report– Computation of Revenue Requirements*, provides Hydro's revised proposals and calculations with respect to its revenue requirements, average rate base, return on rate base, and rate of return on rate base, reflecting the Board's findings and direction from the GRA Order.

Exhibit 3: GRA Compliance Report – Recovery of Revenue Deficiencies

Exhibit 3, *GRA Compliance Report– Recovery of Revenue Deficiencies*, provides Hydro's: (i) explanation of the impact of the Rate Stabilization Plan on the 2014, 2015 and 2016 revenue deficiencies; (ii) revenue deficiency calculation for 2014, 2015, and 2016 and proposed allocation of the revenue deficiencies by customer class for customers currently billed on interim rates; and (iii) proposal with respect to recovery of the deficiencies from customers. The delay in implementation of final customer rates until at least April 1, 2017, also requires a review of the reasonableness of the customer rates for the early months of 2017. As such, Exhibit 3 report also provides a review of potential revenue deficiencies for 2017.

Exhibit 4: GRA Compliance Report – Customer Rates

Exhibit 4, *GRA Compliance Report – Customer Rates*, relies upon Hydro's 2015 Test Year revenue requirement for rate setting purposes, as detailed in Exhibit 2, and incorporates the Board's findings on rate design in the GRA Order, to develop customer rates. Exhibit 3 details Hydro's requirements with respect to filing a revised schedule of rates, rules and regulations to provide compliance with the GRA Order; a comparison of existing and proposed rates and the customer billing impacts of implementing the proposed customer rates; a reconciliation of revenues from proposed customer rates to the revised 2015 Test Year Revenue Requirement for rate-setting; and a summary of the revision to the rules and regulations reflecting the GRA Order.

Exhibit 5: GRA Compliance – Deferral Accounts

Exhibit 5, *GRA Compliance report- Deferral Accounts*, provides Hydro's revised language for each of the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account, CDM Cost Deferral Account, and the Holyrood Conversion Rate Deferral Account, reflecting the Board's findings in the GRA Order.

Exhibits 6 - 9: RSP Reports

Exhibit 6, *2015 RSP Report 2007 Test Year*, and Exhibit 7, *2015 RSP Report 2015 Test Year*, provide the RSP Reports for December 2015 based on the 2007 Test Year and the 2015 Test Year, respectively.

Exhibit 8, *2016 RSP Report 2007 Test Year*, and Exhibit 9, *2016 RSP Report 2015 Test Year*, provide the RSP Reports for December 2016 based on the 2007 Test Year and the 2015 Test Year, respectively.

Exhibits 10 to 13 – Cost of Service Studies

Exhibits 10 through 13 provides Hydro's: i) revised 2014 Test Year Cost of Service for the 2014 revenue deficiency; ii) revised 2015 Test Year Cost of Service for the 2015 revenue deficiency; iii) revised 2015 Test Year Cost of Service for 2016 revenue deficiency; and iv) revised 2015 Test Year Cost of Service for rate setting purposes, respectively.

Exhibit 14: Schedule of Rates, Rules and Regulations

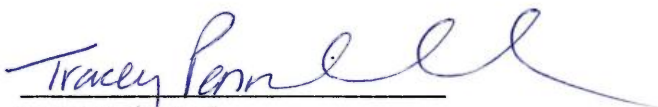
Exhibit 14 provides Hydro's revised Schedule of Rates, Rules and Regulations and RSP Rules reflecting the findings and determinations of the Board in the GRA Order.

C. Concluding

We trust the foregoing and enclosed are found to be in order. If you have any questions regarding Hydro's application, please contact the undersigned at your convenience.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Tracey L. Pennell
Senior Counsel, Regulatory

TPL/bds

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey Stirling Scales
Thomas J. O'Reilly, Q.C. - Cox & Palmer
Miller & Hearn
ecc: Larry Bartlett – larry.bartlett@teck.com

Dennis Browne, Q.C. - Consumer Advocate
Yvonne Jones, MP Labrador
Senwung Luk – Olthuis, Kleer, Townshend LLP
Genevieve M. Dawson – Benson Buffett

IN THE MATTER OF the *Public Utilities Act*,
R.S.N. 1990, Chapter P-47 (the Act);

AND IN THE MATTER OF a General Rate
Application by Newfoundland and
Labrador Hydro to establish customer
electricity rates for 2015;

AND IN THE MATTER OF an Amended
General Rate Application filed by
Newfoundland and Labrador
Hydro on November 10, 2014;

AND IN THE MATTER OF an application
(the GRA Compliance Application) by
Newfoundland and Labrador Hydro for
approval of changes to the rates, tolls and
charges for the supply of power and
energy to customers, and changes to the
rules and regulations applicable to the
supply of power and energy to customers,
reflecting the determinations set out in
Order No. P.U. 49(2016).

TO: The Board of Commissioners of Public Utilities (the Board)

The GRA COMPLIANCE APPLICATION of Newfoundland and Labrador Hydro states

that:

A. Background:

1. Newfoundland and Labrador Hydro (Hydro) is a corporation continued and existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the Act, and is subject to the provisions of the *Electrical Power Control Act, 1994*.

2. Under the Act, the Board has the general supervision of public utilities and requires that a public utility submit for the approval of the Board the rates, tolls and charges for the service provided by the public utility and the rules and regulations which relate to that service.
3. On July 30, 2013, Hydro filed a General Rate Application (GRA) together with evidence in support thereof to establish customer electricity rates to take effect in 2014 based upon a 2013 Test Year.
4. On November 10, 2014, Hydro filed an Amended General Rate Application (the Amended GRA) reflecting updated financial information. The Amended GRA sought approval of, amongst other items, the following:
 - (1) Interim rates to become effective January 1, 2015 for Island Industrial Customers and Labrador Industrial Customers, as well as interim rates for Newfoundland Power and Hydro Rural customers;
 - (2) Final rates to take effect in 2016 based upon a 2015 Test Year; and
 - (3) A cost deferral in the amount of \$45.9 million to reduce Hydro's forecast 2014 net income deficiency.
5. On December 24, 2014, in Board Order No. P.U.58(2014), the Board approved the creation of a deferral account in the amount of \$45.9 million. However, recovery by Hydro of this amount, partial or full, was not approved.

6. Interim rates for Newfoundland Power, Hydro Rural customers and Island Industrial Customers became effective July 1, 2015 in accordance with Order Nos. P.U. 17(2015), P.U. 19(2015) and P.U. 21(2015).
7. On November 12, 2015, Hydro filed an Amended 2015 Cost Deferral Application, seeking the deferral of \$60.5 million to reduce Hydro's forecast 2015 net income deficiency based on delayed implementation of rates resulting from its Amended GRA.
8. In Order No. P.U. 36(2015), the Board approved the deferral of \$30.2 million, as of December 31, 2015, with a final determination on recovery of this amount to be determined by a future order of the Board.
9. In Order No. P.U. 13(2016), the Board set out its determinations of its Prudence Review of certain projects and expenditures and directed Hydro to, among other things, file, in accordance with the subsequent direction of the Board, a revised 2014 Revenue Requirement and Revenue Deficiency calculation, a revised 2015 Revenue Requirement and Revenue Deficiency calculation, and supporting documentation reflecting the findings of the Board in that order.
10. On May 25, 2016, Hydro filed its Prudence Compliance Application, together with a Prudence Review Compliance Report and other supporting evidence,

seeking approval of the Prudence Review Compliance Report as the filing required in Order No. P.U. 13(2016).

11. On December 1, 2016, the Board issued Order No. P.U. 49(2016) setting out its determinations with respect to Hydro's proposals in the Amended GRA (the GRA Order), including the acceptance of Hydro's Prudence Compliance Application and the Settlement Agreement and Supplemental Settlement Agreement which were filed as part of the Amended GRA hearing.
12. On December 9, 2016, Hydro filed an application seeking the creation of a deferral account and the segregation of \$38.8 million in 2016 related to supply costs incurred in providing service to customers.
13. In Order No. P.U. 56(2016), the Board approved the creation of a deferral account and the segregation of \$38.8 million in 2016 related to supply costs incurred in providing service to customers.

B. GRA Order Compliance

14. In the GRA Order, the Board ordered, among other things, that Hydro:
 - (a) file, for approval of the Board, a revised revenue requirement for the 2015 test year for rate setting purposes, incorporating the findings of the Board in the GRA Order;

- (b) file, for approval of the Board, a revised 2013 rate base, incorporating the findings of the Board in the GRA Order;
- (c) file, for approval of the Board, a revised forecast average rate base for 2014, incorporating the findings of the Board in the GRA Order;
- (d) file, for approval of the Board, a revised forecast average rate base and rate of return on rate base for the 2015 test year for rate setting purposes, incorporating the findings of the Board in the GRA Order;
- (e) file a revised excess earnings account definition to reflect a range of rate of return on rate base of +/- 20 basis points;
- (f) file a revised calculation of the 2014 and 2015 deficiencies setting out revised calculations of the revenue requirement, rate base and rate of return on rate base for each year, and incorporating the findings of the Board in the GRA Order;
- (g) file a proposal for the recovery of the 2014 and 2015 revenue deficiencies, and the 2014 additional supply costs deferral, by customer class, incorporating the findings of the Board in the GRA Order;
- (h) file updated test year cost of service studies, incorporating the findings of the Board in the GRA Order, for 2014 and 2015;
- (i) file revised definitions for the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account, and the Holyrood Conversion Rate Deferral Account, in accordance with the findings of the Board in the GRA Order;

- (j) file, for the approval of the Board, a revised Schedule of Rates, Rules and Regulations, and revised RSP Rules, incorporating the findings of the Board in the GRA Order; and
 - (k) file a proposal for the finalization of Industrial customer rates, incorporating the findings of the Board in the GRA Order.
15. The Exhibits to this GRA Compliance Application provide the evidence concerning the Board's determinations in the GRA Order.
16. Exhibit 1, entitled *GRA Compliance Report – Overview*, provides an overview of the detailed evidence to support Hydro's application for approval of various matters arising out of the Amended GRA in accordance with the requirements of the GRA Order.
17. Exhibit 2, entitled *GRA Compliance Report — Computation of Revenue Requirements*, documents Hydro's calculation of: (i) its revised 2013 average rate base; ii) its revised 2014 Test Year revenue requirements and 2014 forecast average rate base for the purpose of determining 2014 revenue deficiency; (iii) its revised 2015 Test Year revenue requirement and 2015 forecast average rate base for rate setting purposes; (iv) its revised 2015 Test Year revenue requirement and 2015 forecast average rate base for the purposes of determining 2015 revenue deficiency; and (v) its revised 2015 Test Year revenue

requirement for determining 2016 revenue deficiency; reflecting the findings of the Board in the GRA Order;

18. Exhibit 3 to the GRA Compliance Application, entitled *GRA Compliance Report — Recovery of Revenue Deficiencies*, provides Hydro's: (i) calculation of the revenue deficiencies 2014, 2015, 2016, and 2017; (ii) Hydro's proposal for the allocation of these deficiencies by customer class for customers currently billed on interim rates; and (iii) Hydro's proposal for the recovery of those revenue deficiencies.
19. Exhibit 4 to the Compliance Application, entitled *GRA Compliance Report — Customer Rates*, provides Hydro's calculation of the rates, tolls and charges provided in Exhibit 14. Exhibit 4 also includes the customer rate impacts reflecting this GRA Compliance Application.
20. Exhibit 5 to the GRA Compliance Application, entitled *GRA Compliance Report — Deferral Accounts*, explains and provides Hydro's revised deferral accounts definitions in accordance with the GRA Order.
21. Exhibit 6, *2015 RSP Report 2007 Test Year*, and Exhibit 7, *2015 RSP Report 2015 Test Year*, provide the RSP Reports for December 2015 based on the 2007 Test Year and the 2015 Test Year, respectively.

22. Exhibit 8, *2016 RSP Report 2007 Test Year*, and Exhibit 9, *2016 RSP Report 2015 Test Year*, provide the RSP Reports for December 2016 based on the 2007 Test Year and the 2015 Test Year, respectively.
23. Exhibit 10 to the GRA Compliance Application provides Hydro's revised 2014 Test Year Cost of Service Study.
24. Exhibit 11 to the GRA Compliance Application provides Hydro's revised 2015 Test Year Cost of Service Study for determining 2015 revenue deficiency.
25. Exhibit 12 to the GRA Compliance Application provides Hydro's revised 2015 Test Year Cost of Service Study for determining 2016 revenue deficiency.
26. Exhibit 13 to the GRA Compliance Application provides Hydro's revised 2015 Test Year Cost of Service Study for rate setting purposes.
27. Exhibit 14 to the GRA Compliance Application provides Hydro's revised Schedule of Rates, Rules and Regulations.

C. Order Requested

28. Further to the matters described in the paragraphs 14 through 27 above, Hydro requests that the Board make an Order approving, pursuant to sections 58, 70, 71, 78, and 80, of the Act:

Revenue Requirement

- (1) a revised average rate base for 2013 of \$1,549,685,000;
- (2)
 - (a) a revised test year revenue requirement of \$555,046,000 for 2014 for the calculation of 2014 revenue deficiency;
 - (b) a revised forecast average rate base for 2014 of \$1,629,088,000 for the calculation of 2014 revenue deficiency;
 - (c) a revised rate of return on average rate base for 2014 of 7.18% in a range of 6.98% to 7.38% , for the purpose of calculating the 2014 revenue deficiency;
- (3)
 - (a) a revised test year revenue requirement of \$566,510,000 for 2015 for rate setting purposes;
 - (b) a revised forecast average rate base for 2015 of \$1,785,353,000 for rate setting purposes
 - (c) a revised rate of return on average rate base for 2015 of 6.61% in a range of 6.41% to 6.81% , for rate setting purposes;
- (4)
 - (a) a revised test year revenue requirement of \$539,619,000 for 2015 for the calculation of 2015 revenue deficiency;

- (b) a revised test year forecast average rate base for 2015 of \$1,729,093,000 for the purpose of determining 2015 revenue deficiency;
 - (c) a rate of return on average rate base for 2015 of 6.67%, in a range of 6.47% to 6.87% for the purpose of calculating the 2015 revenue deficiency;
- (5)
- (a) a revised revenue requirement of \$544,382,000 for 2016 for the calculation of 2016 revenue deficiency;
 - (b) a revised forecast average rate base for 2016 of \$1,802,235,000 for the purpose of determining 2016 revenue deficiency;
 - (c) a rate of return on average rate base for 2016 2015 of 6.61%, in a range of 6.41% to 6.81% for the purpose of calculating the 2016 revenue deficiency;
- (6) Hydro's proposed excess earnings account definition, as provided in Appendix E to Exhibit 2 to this Application;

Revenue Deficiency

- (7) Hydro's proposal to not reflect the use of actual No. 6 fuel costs in the 2014 Test Year Requirement for the purpose of calculating the 2014 revenue deficiency as set out in Exhibit 3 to this Application;
- (8) Hydro's proposal to include the 2014 additional capacity-related supply costs approved for recovery by the Board in calculating its 2014 Revenue Deficiency Rates as set out in Exhibit 3 to this Application;

- (9) Hydro's proposal to credit \$703,000 to increase the balance in the Newfoundland Power RSP current plan and to debit \$1,631,000 from the Island Industrial Customer load variation component credit balance to eliminate the cumulative revenue deficiency for the period 2014 to 2017 from Island Industrial Customers as set out in Exhibit 3 to this Application;

Rates

- (10) Hydro's fuel rider for Newfoundland Power and the Island Industrial Customers in accordance with Section D of the RSP rules as set out in Exhibit 4 to this Application;
- (11) Hydro proposal with respect to the finalization of Island Industrial Customer rates as set out in Exhibit 4 to this Application;
- (12) a revised Labrador Industrial Transmission Rate of 1.19 per kW of Billing Demand, to be applied on a prospective basis, as set out in Exhibit 4 to this Application;
- (13) Hydro's proposal to implement an RSP recovery adjustment for Island Industrial Customers to provide disposition of the credit balance in the Industrial Customer's current plan as set out in Exhibit 4 to this Application;
- (14) the rates, tolls and charges, including all RSP adjustments, as set out in Exhibit 14 to this Application;

- (15) The amendments to the rules and regulations, including the RSP Rules, governing Hydro's provision of service to its customers effective April 1, 2017, as set out in Exhibit 14 to this Application;

Deferral accounts

- (16) the proposed revised account language for the Isolated Systems Supply Cost Variance Deferral Account as set out in Appendix A to Exhibit 5 to this Application;
- (17) the proposed revised account language for the Energy Supply Cost Variance Deferral Account as set out in Appendix B to Exhibit 5 to this Application;
- (18) the proposed revised account language for the Conservation and Demand Management Cost Deferral Account as set out in Appendix C to Exhibit 5 to this Application; and
- (19) the proposed revised account language for the Holyrood Conversion Rate Deferral Account as set out in Appendix D to Exhibit 5 to this Application.

D. Reasons for Approval

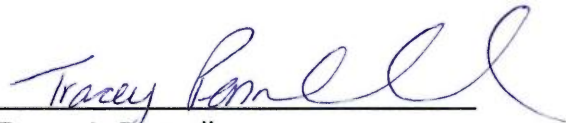
29. Approval by the Board of the proposals in this application will permit cost recovery through customer rates as provided for, and intended by, the *Act*, the *Electrical Power Control Act, 1994* and the Orders of the Board set out in the Application.

E. Process Matters

30. The Application is consistent with the GRA Order and Hydro's compliance with the other Orders of the Board set out in the Application. Accordingly, Hydro submits that public notice and hearing into the Application is unnecessary and not in the public interest.

DATED AT St. John's in the Province of Newfoundland and Labrador this 27th day of January 2017.

NEWFOUNDLAND AND LABRADOR HYDRO



Tracey L. Pennell

Counsel for the Applicant

Newfoundland and Labrador Hydro

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St. John's, NL A1B 4K7

Telephone: (709) 778-6671

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IN THE MATTER OF the *Public Utilities Act*,
R.S.N. 1990, Chapter P-47 (the Act);

AND IN THE MATTER OF a General Rate
Application by Newfoundland and Labrador
Hydro to establish customer electricity rates
for 2015;

AND IN THE MATTER OF an Amended General
Rate Application filed by Newfoundland and
Labrador Hydro on November 10, 2014;

AND IN THE MATTER OF an application (the
GRA Compliance Application) by
Newfoundland and Labrador Hydro for
approval of changes to the rates, tolls and
charges for the supply of power and energy to
customers, and changes to the rules and
regulations applicable to the supply of power
and energy to customers, reflecting the
determinations set out in Order No. P.U.
49(2016).

AFFIDAVIT

I, Kevin J. Fagan, of St. John's in the Province of Newfoundland and Labrador, make oath and say as follows:

1. I am Manager, Regulatory Affairs, of Newfoundland and Labrador Hydro, the Applicant named in the attached Application.
2. I have read and understand the foregoing Application.
3. I have personal knowledge of the facts contained therein, except where otherwise indicated, and they are true to the best of my knowledge, information and belief.

SWORN at St. John's in the)
Province of Newfoundland and)
Labrador, this 27th day of)
January 2017, before me:)


Barrister - Newfoundland and Labrador

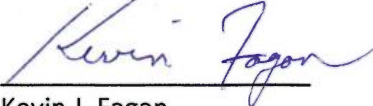

Kevin J. Fagan

Exhibit 1
GRA Compliance Report -
Overview

Newfoundland and Labrador Hydro

January 2017

Table of Contents

1.0 Purpose 1

2.0 Exhibit 2 – Computation of Revenue Requirements 2

3.0 Exhibit 3 – Recovery of Revenue Deficiencies 5

4.0 Exhibit 4 – Customer Rates 7

 4.2 Proposed Customer Rates and Customer Billing Impacts..... 8

 4.1 Changes to Hydro’s Schedule of Rules and Regulations..... 10

5.0 Exhibit 5 – Deferral Accounts..... 10

6.0 Other Exhibits..... 11

7.0 Conclusion..... 11

1 **1.0 Purpose**

2 On July 30, 2013, Newfoundland and Labrador Hydro (Hydro) filed its General Rate Application
3 (GRA) based on a 2013 Test Year. On June 6, 2014, Hydro gave notice to the Board of
4 Commissioners of Public Utilities (the Board) and parties that it planned to file an amended
5 application in the fall of 2014 based on updated financial information. On November 10, 2014,
6 Hydro filed its Amended General Rate Application (Amended GRA) to establish customer
7 electricity rates to take effect in 2015 based on a 2015 Test Year. Further, the Amended GRA
8 sought approval from the Board for Hydro to recover \$45.9 million, representing the difference
9 between Hydro’s forecast revenues from existing rates for 2014 and Hydro’s forecast 2014
10 revenue requirement based on a 2014 Test Year. In addition, on November 12, 2015, Hydro
11 filed an Amended 2015 Cost Deferral Application, amending its July 10, 2015 Cost Deferral
12 Application, which sought approval for the deferral of \$60.5 million to reduce Hydro’s forecast
13 2015 net income deficiency based on delayed implementation of rates resulting from its
14 Amended GRA. In Order No. P.U. 26(2015), the Board approved a deferral of \$30.2 million, as of
15 December 31, 2015, with a final determination on recovery of this amount to be determined by
16 a future order of the Board.

17
18 As part of its consideration of Hydro’s Amended GRA, the Board undertook a prudence review
19 of certain decisions and actions by Hydro relating to projects and operating expenditures
20 reflected in the rate base, revenue requirement and revenue deficiency for Hydro’s 2014 Test
21 Year and 2015 Test Year.

22
23 In Order No. P.U. 13(2016) (the Prudence Order), the Board ordered that, as a result of its
24 prudence review, Hydro would not be allowed to recover certain capital and operating
25 expenses. As a result of its findings in the Prudence Order, the Board directed Hydro to, among
26 other things, file, in accordance with the subsequent direction of the Board, a revised 2014
27 revenue requirement and revenue deficiency calculation, a revised 2015 revenue requirement

1 and revenue deficiency calculation, and supporting documentation reflecting the findings of the
2 Board in that order.

3
4 On May 25, 2016, Hydro filed an application and evidence supporting Hydro’s compliance with
5 Order No. P.U.13(2016) (the Prudence Compliance Application). The evidence included Hydro’s
6 calculation of a revised 2014 Test Year revenue requirement and revenue deficiency and a
7 revised 2015 Test Year revenue requirement and revenue deficiency, based on the proposals in
8 the Amended GRA, and incorporating the determinations and instructions of the Board in the
9 Prudence Order and its letter of May 5, 2016.

10
11 On December 1, 2016, the Board issued Order No. P.U. 49(2016) (the GRA Order) outlining its
12 decisions and orders related to the Amended GRA. Amongst other things, the Board accepted
13 Hydro’s Prudence Compliance Application as being in accordance with the Prudence Order.

14
15 In the GRA Order, the Board directed Hydro to file a subsequent application reflecting the
16 findings and determinations of the Board resulting from the Amended GRA. The purpose of this
17 report is to provide an overview of the detailed evidence to support Hydro’s application for
18 approval of various matters arising out of the Amended GRA in accordance with the
19 requirements of the GRA Order (the GRA Compliance Application).

20

21 **2.0 Exhibit 2 – Computation of Revenue Requirements**

22 The GRA Order required Hydro to file for approval of the Board:

- 23 • a revised proposed 2013 average rate base;¹
- 24 • a revised 2014 Test Year revenue requirement for the purpose of determining the 2014
25 revenue deficiency;²

¹ Order No. P.U. 49(20126), page 127

² *Ibid.*, page 81.

- 1 • a revised 2014 Test Year forecast average rate base and rate of return on rate base for
- 2 the purpose of calculating the 2014 revenue deficiency;³
- 3 • a revised 2015 Test Year revenue requirement for rate setting purposes;⁴
- 4 • a revised 2015 Test Year forecast average rate base and rate of return on rate base for
- 5 rate setting purposes;⁵
- 6 • a revised 2015 Test Year revenue requirement for the purpose of determining the 2015
- 7 revenue deficiency;⁶
- 8 • a revised 2015 Test Year forecast average rate base and rate of return on rate base for
- 9 the purpose of calculating the 2015 revenue deficiency;⁷ and
- 10 • a revised excess earnings account definition;⁸

11 reflecting the findings and determinations of the Board in the GRA Order. The Board also
12 acknowledged that delayed implementation of customer rates beyond January 1, 2016 may
13 contribute to a revenue deficiency for 2016.⁹

14
15 Exhibit 2, *GRA Compliance Report– Computation of Revenue Requirements*, explains Hydro’s
16 proposals and calculations with respect to its revenue requirements, average rate base, return
17 on rate base, and rate of return on rate base, reflecting the Board’s findings and direction from
18 the GRA Order. The impact of the GRA Order on Hydro’s revenue requirements, average rate
19 base, return on rate base, and rate of return on rate base are summarized in Table 1.

³ Ibid., page 83.

⁴ Ibid., page 61.

⁵ Ibid., page 66.

⁶ Ibid., page 86.

⁷ Ibid.

⁸ Ibid., page 137.

⁹ Ibid., page 129.

Table 1
Impact of P.U. 49(2016)

Line No.		Amended GRA (\$000s)	GRA Compliance (\$000s)	Total Adjustments (\$000s)
1	<u>2013 Average Rate Base</u>			
2	2013 Average Rate Base	1,548,371	1,549,685	1,314
3				
4	<u>2014 for Revenue Deficiency</u>			
5	Revenue Requirement for 2014 Revenue Deficiency	562,855	555,045	(7,810)
6	2014 Average Rate Base	1,692,567	1,629,088	(63,479)
7	2014 Return on Rate Base	120,563	116,920	(3,643)
8	2014 Rate of Return on Rate Base	7.12%	7.18%	0.06%
9				
10	<u>2015 Test Year for Rate Setting</u>			
11	2015 Test Year Revenue Requirement for Rate Setting	662,475	566,510	(95,965)
12	2015 Test Year Average Rate Base	1,802,024	1,785,353	(16,671)
13	2015 Test Year Return on Rate Base	122,810	117,994	(4,816)
14	2015 Test Year Rate of Return on Rate Base	6.82%	6.61%	-0.21%
15				
16	<u>2015 Revenue Deficiency</u>			
17	Revenue Requirement for 2015 Revenue Deficiency		539,621	
18	2015 Average Rate Base		1,729,093	
19	2015 Return on Rate Base		115,330	
20	2015 Rate of Return on Rate Base		6.67%	
21				
22	<u>2016 Revenue Deficiency</u>			
23	Revenue Requirement for 2016 Revenue Deficiency		544,383	
24	2015 Average Rate Base		1,802,235	
25	2015 Return on Rate Base		119,092	
26	2015 Rate of Return on Rate Base		6.61%	

1 **3.0 Exhibit 3 – Recovery of Revenue Deficiencies**

2 The GRA Order directed Hydro to file a proposal for the recovery of the 2014 and 2015 revenue
 3 deficiencies and the 2014 additional supply costs deferral, by customer class, reflecting the
 4 findings of the Board in the GRA Order.¹⁰ As mentioned above, the Board also acknowledged
 5 that delayed implementation of customer rates beyond January 1, 2016 may contribute to a
 6 further revenue deficiency for 2016.¹¹

7
 8 Exhibit 3, *GRA Compliance – Recovery of Revenue Deficiencies*, provides Hydro’s: (i) explanation
 9 of the impact of the Rate Stabilization Plan (RSP) on the 2014, 2015, and 2016 revenue
 10 deficiencies; (ii) revenue deficiency calculations for 2014, 2015, and 2016, and proposed
 11 allocation of the revenue deficiencies by customer class for customers currently billed on
 12 interim rates; and (iii); proposals with respect to recovery of the deficiencies from customers.
 13 The delay in implementation of final customer rates until at least April 1, 2017, also requires a
 14 review of the reasonableness of the customer rates for the early months of 2017. As such,
 15 Exhibit 3 report also provides a review of potential revenue deficiencies for 2017.

16
 17 Table 2 provides a summary of the revenue deficiencies for 2014, 2015, 2016, and 2017 and the
 18 allocation of the deficiencies between Newfoundland Power and the Island Industrial
 19 Customers.

Table 2
Summary of Revenue Deficiencies for Setting Customer Rates (\$000s)

Customer Group	2014	2015	2016	2017	Total
Newfoundland Power	35,462	(9,611)	(31,604)	5,050	(703)
Island Industrial Customers	3,260	413	(2,076)	34	1,631

¹⁰ Ibid., page 130.

¹¹ Ibid., page 129.

1 The revenues compared to allocated costs for 2015 and 2016 provided in Table 2 do not include
2 the recovery of the \$38.8 million supply costs deferred in accordance with the supply cost
3 deferral accounts approved in the GRA Order as Hydro is required to file a separate application
4 for recovery of balances in those accounts in accordance with the supply cost deferral account
5 definitions.¹² The revenue deficiencies for setting customer rates included in Table 2 also do not
6 include the net impacts¹³ experienced by Hydro in 2015 and 2016 as a result of operation of the
7 RSP using the 2007 Test Year inputs.

8

9 While there was a cumulative revenue deficiency of approximately \$1.631 million from Island
10 Industrial Customers during the period of interim rates from 2014 to the end of March 2017,
11 the billed base rate revenues from Newfoundland Power were in excess of the cumulative
12 revenue deficiencies by \$703,000.

13

14 In the Amended GRA, Hydro proposed to utilize a portion of the credit balance in the RSP to
15 provide recovery of the revenue deficiencies. Hydro continues to propose this approach as it
16 has the advantage of recovering revenue deficiencies by using amounts already collected from
17 customers and avoids higher rates in the future in order to recover the amounts owing. This
18 approach provides a better matching of 2015 proposed rates with 2015 Test Year costs.¹⁴
19 As indicated in Table 3, 52% of the load variation component of the RSP credit balance is
20 required to provide recovery of the revenue deficiency from the Island Industrial Customers.

¹² Order No. P.U.49(2016) directed Hydro to file revised definitions for its proposed supply cost deferral accounts for approval in Hydro's GRA Compliance Application. As these definitions are not yet approved, Hydro cannot apply for recovery of the balances in those accounts at this time.

¹³ Approximately \$76.4 million.

¹⁴ This approach is similar to the method approved by the Board in the case of Hydro's 2006 GRA in which \$20.7 million of the Hydraulic Production Variation RSP balance owing to customers offset current costs owing from customers.

Table 3
Use of RSP Load Variation Component Balance to Eliminate Revenue Deficiency (\$000s)

	2015 Test Year Credit Balance at December 31, 2016	Cumulative Revenue Deficiency Allocation	Remaining Balance	Percentage of RSP Balance Used
Newfoundland Power Plan	48,868	0	48,868	0%
Island Industrial Customer Plan	3,110	1,631	1,479	52%

1 As such, Hydro proposes to: (i) credit \$703,000 to increase the balance in the Newfoundland
2 Power RSP current plan to address the amounts owing as a result of the excess revenues from
3 interim base rates for Newfoundland Power; and (ii) transfer \$1,631,000 from the Island
4 Industrial Customer load variation component credit balance of the RSP to eliminate the
5 cumulative revenue deficiency for the period 2014 to 2017 from Island Industrial Customers.

6

7 **4.0 Exhibit 4 – Customer Rates**

8 Exhibit 4, *GRA Compliance Report – Customer Rates*, relies upon Hydro’s revised 2015 Test Year
9 revenue requirement for rate setting purposes, as detailed in Exhibit 2, and incorporates the
10 Board’s findings on rate design in the GRA Order, to develop customer rates. Exhibit 4 provides:

- 11 • Hydro’s requirements with respect to filing a revised schedule of rates, rules and
12 regulations to provide compliance with the GRA Order;
- 13 • Hydro’s proposed customer rates, including a comparison of existing and proposed
14 rates and the customer billing impacts of implementing the proposed customer
15 rates;
- 16 • a reconciliation of revenues from proposed customer rates to the revised 2015 Test
17 Year revenue requirement for rate-setting; and
- 18 • a summary of the revision to the rules and regulations reflecting the GRA Order.

1 Hydro relied on the approved cost of service methodology to establish how its 2015 Test Year
2 revenue requirement for rate setting purposes, is allocated to each customer class and
3 recovered in rates. Hydro updated its test year cost of service studies to reflect the findings of
4 the Board in the GRA Order.¹⁵

5

6 **4.2 Proposed Customer Rates and Customer Billing Impacts**

7 Hydro’s proposed customer rates, reflecting the determinations of the Board in the GRA Order,
8 are explained in Exhibit 4. Hydro is proposing an implementation date of April 1, 2017.

9

10 In summary, the annualized billing impact of implementing the proposed Utility base rate and
11 the new fuel rider is a 2.3% increase. The end-consumer impact on customers of Newfoundland
12 Power as a result of that increase is estimated to be an approximate 1.5% increase. The
13 annualized billing impact of implementing the proposed Island Industrial Customer rate is an
14 average 7.1% increase. The proposed rate change for the Hydro Rural Island Interconnected
15 customers and customers in L’Anse au Loup equal the proposed rate increase of 1.5% to the
16 customers of Newfoundland Power. The proposed rate change for customers on the Labrador
17 Interconnected system is an overall increase of 1.0% with a 0.8% increase applied equally to
18 each rate class with the exception of Street and Area Lighting (16.0% increase).

19

20 Table 4 provides a summary of the estimated customer rate impacts by class.

¹⁵ Ibid., page 105.

Table 4
Impact of Proposed Rates on Customers by Class
December 31, 2016 vs. April 1, 2017

Customer	Percentage Rate Impact
Newfoundland Power	2.3%
Island Industrial Customers	7.1%
Praxair	2.8%
Vale	6.9%
Corner Brook Pulp and Paper	22.8%
North Atlantic Refining Limited	2.5%
Teck Resources	28.5%
Labrador Industrial Transmission	-4.3%
Canadian Forces Base Goose Bay	0.0%
Rural Island Interconnected	1.5%
Rural Isolated Systems	9.4%
Domestic Diesel	5.8%
General Service 2.1D	16.3%
General Service 2.2D	17.5%
Streetlights	1.5%
L'Anse au Loup	1.5%
Rural Labrador Interconnected	1.0%

1 The supporting calculations for these rates are provided in the appendices to Exhibit 4. The
2 associated rate sheets are provided in Exhibit 14 to the GRA Compliance Application.

3
4 In the GRA Order, the Board approved the \$1.25 per kW transmission demand charge
5 implemented on an interim basis effective January 1, 2015, as final. Hydro has updated its 2015
6 Test Year Cost of Service Study and derived a revised rate of \$1.19 per kW of Billing Demand, to
7 be applied on a prospective basis. The rate sheet provided in Exhibit 14 for the Labrador
8 Industrial Transmission Rate states that the approved rate is available to existing customers

1 only, as required by the GRA Order, and reflects the Billing Demand definition approved in
2 Order No. P.U. 15(2016).

3

4 **4.1 Changes to Hydro’s Schedule of Rules and Regulations**

5 In the Amended GRA, Hydro proposed a number of amendments to the RSP Rules and changes
6 to its Rules and Regulations to reflect changing circumstances. In the GRA Order, the Board
7 accepted Hydro’s proposed changes and directed Hydro to file a revised Schedule of Rates,
8 Rules and Regulations and revised RSP Rules to reflect the GRA Order.¹⁶ Exhibit 14 to the GRA
9 Compliance Application provides the revised Schedule of Rates, Rules and Regulations
10 (including RSP Rules) reflecting the Board’s decisions.

11

12 **5.0 Exhibit 5 – Deferral Accounts**

13 In the Amended GRA, Hydro proposed four deferral and recovery mechanisms to address
14 certain variances:

- 15 • the Isolated Systems Supply Cost Variance Deferral Account;
- 16 • the Energy Supply Cost Variance Deferral Account;
- 17 • the Conservation Demand Management Cost Deferral Account; and
- 18 • the Holyrood Conversion Rate Deferral Account.

19

20 The Board approved each of Hydro’s requests, but directed Hydro to file revised language to
21 reflect the Board’s findings in the GRA.¹⁷ Exhibit 5, *GRA-Compliance Report- Deferral Accounts*,
22 provides Hydro’s revised language for each of the proposed accounts, reflecting the Board’s
23 findings in the GRA Order. Hydro’s revised definitions for each account are provided for in the
24 appendices to Exhibit 5.

¹⁶ Ibid., page 112 and 113.

¹⁷ Ibid., page 137.

1 **6.0 Other Exhibits**

2 Exhibits 6 and Exhibit 7 provide the RSP Reports for December 2015, based on the 2007 Test
3 Year and the 2015 Test Year, respectively. Exhibits 8 and Exhibit 9 provide the RSP Reports for
4 December 2016, based on the 2007 Test Year and the 2015 Test Year, respectively.

5 Exhibits 10 through 13 provides Hydro’s revised: i) 2014 Test Year Cost of Service for the 2014
6 revenue deficiency; ii) 2015 Test Year Cost of Service for the 2015 revenue deficiency; iii) 2015
7 Test Year Cost of Service for the 2016 revenue deficiency; and 2015 Test Year Cost of Service for
8 rate setting purposes, respectively. Exhibit 14 provides Hydro’s revised Schedule of Rates, Rules
9 and Regulations, including revised RSP Rules, reflecting the findings and determinations of the
10 Board in the GRA Order.

11

12 **7.0 Conclusion**

13 In the GRA Order, the Board made a number of determinations on proposals contained in, and
14 matters arising from, Hydro’s Amended GRA. The Exhibits to this GRA Compliance Application
15 set forth Hydro’s evidence in support of its application.

Exhibit 2
GRA Compliance Report -
Computation of Revenue Requirements

Newfoundland and Labrador Hydro

January 2017

Table of Contents

1.0	Introduction	1
2.0	2013 Average Rate Base	3
3.0	Revenue Requirement for 2014 Revenue Deficiency.....	5
3.1	Expenses.....	6
3.1.1	Operating Expenses	6
3.1.2	Fuel.....	8
3.1.3	Amortization and Accretion.....	10
3.2	2014 Average Rate Base.....	10
3.3	2014 Return on Rate Base.....	13
3.4	2014 Rate of Return on Rate Base	14
4.0	2015 Test Year Revenue Requirement for Rate Setting.....	14
4.1	Expenses.....	15
4.1.1	Operating Expenses	15
4.1.2	Fuel.....	16
4.1.3	Power Purchases.....	19
4.1.4	Amortization and Accretion.....	19
4.2	2015 Test Year Average Rate Base for Rate Setting	20
4.3	2015 Test Year Return on Rate Base for Rate Setting.....	23
4.4	2015 Test Year Rate of Return on Rate Base for Rate Setting.....	24
5.0	Revenue Requirement for 2015 Revenue Deficiency.....	24
5.1	Expenses.....	25
5.1.1	Operating Expenses	25
5.1.2	Fuel.....	26

5.1.3	Power Purchases.....	30
5.1.4	Amortization and Accretion.....	30
5.2	Average Rate Base for 2015 Revenue Deficiency	31
5.3	Return on Rate Base for 2015 Revenue Deficiency	34
5.4	Rate of Return on Rate Base for 2015 Revenue Deficiency.....	35
6.0	Revenue Requirement for Rate Setting vs. 2015 Revenue Deficiency.....	35
7.0	Revenue Requirement for 2016 Revenue Deficiency.....	38
8.0	Excess Earnings Definition	40
9.0	Conclusion.....	40

Appendix A - 2014 Finance Schedules

Appendix B - 2015 Finance Schedules (Rate Setting)

Appendix C - 2015 Finance Schedules (Revenue Deficiency)

Appendix D - 2016 Finance Schedules (Revenue Deficiency)

Appendix E - Definition of Excess Earnings

1 **1.0 Introduction**

2 On December 1, 2016, the Board issued Order No. P.U. 49(2016) (the GRA Order), outlining its
3 decisions and orders related to Hydro’s Amended General Rate Application (the Amended
4 GRA). Among other things, the GRA Order ordered that Hydro:

- 5 • file for approval of the Board its proposed 2013 average rate base, reflecting the
6 findings of the Board in the GRA Order;¹
- 7 • file a revised 2014 Test Year revenue requirement for the purpose of determining the
8 2014 revenue deficiency to reflect the findings of the Board in the GRA Order;²
- 9 • file a revised 2014 Test Year forecast average rate base and rate of return on rate base
10 for the purpose of calculating the 2014 revenue deficiency reflecting the delayed in-
11 service of 2014 capital additions as well as the findings of the Board in the GRA Order,
12 including a target return on equity of 8.8%;³
- 13 • file a revised 2015 Test Year revenue requirement for the purpose of setting rates to
14 reflect the findings of the Board in the GRA Order;⁴
- 15 • file a revised 2015 Test Year forecast average rate base and rate of return on rate base
16 for rate setting purposes to reflect the findings of the Board in this Decision and Order,
17 including a target return on equity of 8.5%;⁵
- 18 • file a revised 2015 Test Year revenue requirement for the purpose of determining the
19 2015 revenue deficiency to reflect the findings of the Board in the GRA Order;⁶
- 20 • file a revised 2015 Test Year forecast average rate base and rate of return on rate base
21 for the purpose of calculating the 2015 revenue deficiency, reflecting the delayed in-
22 service of 2014 capital additions as well as the findings of the Board in the GRA Order,
23 including a target return on equity of 8.8%;⁷ and

¹ Order No. P.U. 49(2016), page 127.

² Ibid., page 81.

³ Ibid., page 83.

⁴ Ibid., page 61.

⁵ Ibid., page 66.

⁶ Ibid., page 86.

⁷ Ibid.

- 1 • file a revised excess earnings account definition to reflect a range of rate of return on
2 rate base of +/- 20 basis points.⁸

3
4 This report documents Hydro's calculation of its revised 2014 and 2015 Test Year revenue
5 requirements, average rate base, and rate of return on rate base, based on the proposals in the
6 Amended GRA, the impacts of the prudence disallowances,⁹ and the determinations and
7 instructions of the Board in the GRA Order.¹⁰ In addition, the Board stated that if Hydro is
8 seeking recovery for 2016 revenue deficiency, it should file its proposal and supporting
9 documentation with its GRA Compliance Application.¹¹ As such, this report also includes an
10 overview of Hydro's revenue requirement for a 2016 revenue deficiency. Recovery of revenue
11 deficiency is addressed separately in Exhibit 3 to the GRA Compliance Application, *2013 GRA*
12 *Compliance Report – Recovery of Revenue Deficiencies*.

13
14 As the Board accepted Hydro's Prudence Compliance filing as being in accordance with Order
15 No. P.U. 13(2016) (Prudence Order),¹² this report highlights the impact of the prudence
16 disallowances as requested by the Board. Details supporting the impact were included in
17 Hydro's Prudence Compliance filing.¹³

18
19 Table 1 highlights the impact of the GRA Order on the items the Board ordered Hydro to file.

⁸ Ibid., page 137.

⁹ Order No. P.U. 13(2016).

¹⁰ Order No. P.U. 49(2016). Based on the GRA Order, Hydro updated the pertinent finance schedules, which are presented in appendices and referenced throughout this report, for inclusion in the GRA Compliance Application. Hydro has not included all finance schedules which were included in the 2013 Amended Application in this report as the information is either already presented throughout the Compliance Application in a different format or it did not require adjustments to be compliant with the GRA Order.

¹¹ Order No. P.U. 49(2016), page 130.

¹² Ibid., page 20.

¹³ Newfoundland and Labrador Hydro's Prudence Review Compliance Report, May 25, 2016.

Table 1
Impact of P.U. 49(2016)

Line No.		Amended GRA (\$000s)	GRA Compliance (\$000s)	Total Adjustments (\$000s)
1	<u>2013 Average Rate Base</u>			
2	2013 Average Rate Base	1,548,371	1,549,685	1,314
3				
4	<u>2014 for Revenue Deficiency</u>			
5	Revenue Requirement for 2014 Revenue Deficiency	562,855	555,045	(7,810)
6	2014 Average Rate Base	1,692,567	1,629,088	(63,479)
7	2014 Return on Rate Base	120,563	116,920	(3,643)
8	2014 Rate of Return on Rate Base	7.12%	7.18%	0.06%
9				
10	<u>2015 Test Year for Rate Setting</u>			
11	2015 Test Year Revenue Requirement for Rate Setting	662,475	566,510	(95,965)
12	2015 Test Year Average Rate Base	1,802,024	1,785,353	(16,671)
13	2015 Test Year Return on Rate Base	122,810	117,994	(4,816)
14	2015 Test Year Rate of Return on Rate Base	6.82%	6.61%	-0.21%
15				
16	<u>2015 Revenue Deficiency</u>			
17	Revenue Requirement for 2015 Revenue Deficiency		539,621	
18	2015 Average Rate Base		1,729,093	
19	2015 Return on Rate Base		115,330	
20	2015 Rate of Return on Rate Base		6.67%	
21				
22	<u>2016 Revenue Deficiency</u>			
23	Revenue Requirement for 2016 Revenue Deficiency		544,383	
24	2015 Average Rate Base		1,802,235	
25	2015 Return on Rate Base		119,092	
26	2015 Rate of Return on Rate Base		6.61%	

1 2.0 2013 Average Rate Base

2 In its Amended GRA, Hydro filed a proposed 2013 average rate base of \$1,548.4 million. This
3 was updated to \$1,546.9 million in Hydro’s response to PUB-NLH-389 to reflect the inclusion of

1 Black Tickle (\$0.7 million) and Charlottetown Diesel (\$0.7 million) in average assets not in use,
2 as per the Board’s direction in P.U. 27(2014).¹⁴

3

4 The Board gave further direction in the Prudence Order which increased Hydro’s 2013 average
5 rate base to \$1,549.7 million.¹⁵ This difference reflects a reduction in average net assets not in
6 use of \$2.8 million, \$2.1 million of which related to the Labrador City terminal station project
7 with the remaining \$0.7 million related to the Black Tickle fire restoration project.

8

9 In the GRA Order, the Board ordered Hydro to file its revised proposed 2013 average rate base
10 for the approval of the Board.¹⁶

11

12 Table 2 shows a comparison of Hydro’s original proposed 2013 average rate base against the
13 update to reflect PUB-NLH-389 and the update to reflect the Board’s decisions in the GRA
14 Order.

¹⁴ Order No. P.U. 27(2014), page 12.

¹⁵ In Order No. P.U. 13(2016), the Board determined that costs associated with the Black Tickle fire restoration project were prudent (page 62). Also in P.U. 13(2016), the Board accepted final project costs for the Labrador City terminal station project (page 59).

¹⁶ Order No. P.U. 49(2016), page 127.

Table 2
Computation of Average Rate Base for 2013

	Amended GRA 2013	PUB-NLH-389 2013	GRA Compliance 2013
Capital assets	1,603,351	1,603,351	1,603,351
less: asset retirement obligation costs	(16,715)	(16,715)	(16,715)
less: contributions in aid of construction	(15,786)	(15,786)	(15,786)
less: accumulated depreciation	(138,317)	(138,317)	(138,317)
Capital assets - current year	1,432,533	1,432,533	1,432,533
Capital assets - previous year	1,387,986	1,387,986	1,387,986
Unadjusted Capital assets - average	1,410,259	1,410,260	1,410,260
less: Average net assets not in use	(7,102)	(8,544)	(5,788)
Capital assets - average	1,403,157	1,401,716	1,404,471
Cash working capital allowance	5,875	5,875	5,875
Fuel	48,949	48,949	48,949
Materials and supplies	25,763	25,763	25,763
Deferred charges	64,627	64,627	64,627
Average rate base	1,548,371	1,546,930	1,549,685

1 **3.0 Revenue Requirement for 2014 Revenue Deficiency**

2 Table 3 shows a summary of the adjustments required to derive Hydro's revised revenue
3 requirement for the 2014 revenue deficiency. Each adjustment is further discussed in
4 subsequent sections. Schedules 1 and 2 of Appendix A to this report illustrate the underlying
5 adjustments which support the content of Table 3.

Table 3
Summary of Revised Revenue Requirement for 2014 Revenue Deficiency

Line No.	Particulars	Amended GRA (\$000s)	GRA Compliance (\$000s)	Adjustments (\$000s)
	Expenses			
1	Operating expenses	126,068	114,702	(11,366)
2	Other Income and expense	2,068	2,068	-
3	Fuel	191,758	200,292	8,534
4	Power purchases	66,668	66,668	-
5	Amortization	55,214	54,793	(421)
6	Accretion of asset retirement obligation	852	726	(126)
7	less: Cost of Service exclusions	(336)	(1,124)	(788)
8	Total Expenses (A)	442,292	438,125	(4,167)
9				
10	Return on rate base (B)	120,563	116,920	(3,643)
11				
12	2014 Revenue requirement (C) = (A) + (B)	562,855	555,045	(7,810)
13				
14	Average rate base (D)	1,692,567	1,629,088	(63,479)
15				
16	Rate of return on rate base (E) = (B) / (D)	7.12%	7.18%	0.06%

1 **3.1 Expenses**

2 **3.1.1 Operating Expenses**

3 Based on the Board's determinations in the GRA Order, Hydro is required to reduce its 2014
4 Test Year operating expenses by approximately \$11.4 million. Table 4 summarizes the
5 adjustments to operating expenses.

**Table 4
Operating Expense Adjustments**

	Adjustments (\$000s)
Prudence Adjustment	(4,755)
Salaries & Benefits	(5,017)
Intercompany transactions	(106)
Professional Services – PUB Costs	(988)
Travel	(500)
Total	(11,366)

1 Prudence Adjustment

2 This adjustment reflects disallowances of \$4.8, which were addressed in Hydro’s Prudence
3 Compliance filing¹⁷ and approved by the Board in the GRA Order.¹⁸

4

5 Salaries & Benefits

6 The Board Ordered Hydro to revise its proposed 2014 Test Year salaries and benefits costs to
7 reflect:

8 i. a disallowance of \$2.0 million;¹⁹

9 ii. a vacancy allowance of 52 full time equivalents (FTE), which, based on Hydro’s 2014
10 vacancy allowance forecast of \$1.7 million for 20 FTEs²⁰, requires an adjustment of
11 approximately \$2.72 million;²¹ and

12 iii. removal of the costs associated with the short-term incentive program, which were
13 approximately \$297,000²² in 2014.²³

¹⁷ Newfoundland and Labrador Hydro Prudence Review Compliance Report, May 25, 2016, Schedule 3.

¹⁸ Order No. P.U. 49(2016), page 20.

¹⁹ Ibid., page 78.

²⁰ Hydro’s Submission, Rev. 1, page 31; Undertaking #145; Transcript, September 16, 2015, pages 176/18 to 177/24.

²¹ $(\$1,700,000/20 \text{ FTEs}) * (32 \text{ FTEs}) = \$2,720,000$.

²² PUB-NLH-304, Rev.1.

²³ Order No. P.U. 49(2016), page 78.

1 Intercompany Transactions

2 The Board ordered Hydro to reduce its proposed 2014 intercompany charges by \$106,000 to
3 account for fully burdened costs in the admin fee.²⁴

4

5 Professional Services

6 The Board approved only \$2.5 million for Board-related costs in the GRA Order, which required
7 Hydro to reduce its expenses for this item by \$988,000.²⁵

8

9 Travel

10 The Amended GRA proposed 2014 travel costs of \$3.6 million. The Board ordered that Hydro
11 reduce this amount by \$500,000.²⁶

12

13 The total impact of the previously noted adjustments to operating expenses is a reduction to
14 Hydro's revenue requirement of \$6.6 million as a result of the determinations of the GRA
15 Order.

16

17 **3.1.2 Fuel**

18 In P.U. 56(2014), the Board approved the creation of a deferral account related to 2014
19 capacity-related supply costs in the amount of \$9.65 million, with the recovery of this deferral
20 to be addressed in a subsequent Order of the Board. As a result of the Prudence Order, the
21 Board determined that approximately \$1.42 million of those costs could not be recovered from
22 customers,²⁷ which effectively reduced the amount of the deferral to approximately \$8.23
23 million.

24

25 In its Amended GRA, Hydro proposed the deferral of these costs with recovery over a five-year
26 period beginning in 2015. However, in the GRA Order, the Board stated that the additional

²⁴ Ibid., page 76.

²⁵ Ibid., page 79.

²⁶ Ibid.

²⁷ Order No. P.U. 13(2016), page 79.

1 capacity-related supply costs related to the provision of service to customers in 2014 provided
 2 no benefits beyond 2014. On this basis, the Board recommended that Hydro consider the
 3 recovery of the costs with the 2014 revenue deficiency.²⁸ The Board directed Hydro to file a
 4 proposal for the recovery of the 2014 additional supply costs not associated with imprudence in
 5 conjunction with the 2014 revenue deficiency.²⁹ As such, Hydro has proposed recovering the
 6 \$8.2 million with the 2014 revenue deficiency, which required an adjustment to remove the
 7 costs from the fuel supply deferral account in 2014. Adjustments to remove the associated
 8 amortization of the supply deferral account are reflected in the adjustments to the 2015 Test
 9 Year, which is discussed later in this report.

10

11 In addition to the adjustments relating to the 2014 capacity-related fuel supply deferral, Hydro
 12 also made a \$0.3 million correction to an overstatement of supply cost revenue deficiency in
 13 the Amended GRA. Volume I of the Amended GRA stated *“an additional \$10 million of supply*
 14 *costs have been presented in a separate Application to the Board, dated October 8, 2014.”*³⁰
 15 This was an overstatement of approximately \$0.3 million, as the application asked for only
 16 \$9.65 million and the deferral of that amount is what the Board approved in P.U. 56(2014). In
 17 order to correct its overstatement, Hydro decreased the fuel supply deferral by an additional
 18 \$0.3 million.

19

20 The total impact of the two adjustments is an increase of \$8.53 million in fuel expense, as
 21 summarized in Table 5.

**Table 5
 Fuel Adjustments**

	Adjustments (\$000s)
Adjustment for Error	300
Extraction of 2014 fuel supply deferral	8,234
Total	8,534

²⁸ Order No. P.U. 49(2016), page 82.

²⁹ Ibid.

³⁰ Amended GRA, Vol. 1., page 1.4.

1 **3.1.3 Amortization and Accretion**

2 Hydro’s 2014 amortization and accretion has been adjusted by approximately \$550,000.
3 Approximately \$6,000 of the total adjustment relates to the Prudence Order. Hydro’s proposed
4 adjustments in relation to this order were approved by the Board in the GRA Order.³¹ The
5 remainder of the balance reflects the terms of the Settlement Agreement.³²

6
7 As part of the Settlement Agreement, which was approved by the Board in the GRA Order,³³ the
8 parties agreed that Hydro’s proposal to include depreciation and accretion expenses associated
9 with asset retirement obligations should be approved with the amounts reduced from \$3.1
10 million for the 2014 Test Year to \$2.6 million.³⁴ Table 6 summarizes the adjustments made to
11 Amortization and Accretion.

**Table 6
Amortization and Accretion Adjustments**

	Adjustments (\$000s)
Prudence adjustment - Amortization	6
Amortization of Asset Retirement Obligation	(427)
Accretion of Asset Retirement Obligation	(126)
Total	(547)

12 **3.2 2014 Average Rate Base**

13 In the Amended GRA, Hydro proposed a 2014 Test Year average rate base of \$1,692.6 million.
14 In this GRA Compliance Application, Hydro is proposing a 2014 Test Year average rate base of
15 \$1,629.1 million. Table 7 summarizes the \$63.5 million adjustment to 2014 average rate base.

³¹ Order No. P.U. 49(2016), page 82.
³² Settlement Agreement, August 14, 2015, page 2, item 9.
³³ Order No. P.U. 49(2016), page 18.
³⁴ Settlement Agreement, August 14, 2015, page 2, item 9.

**Table 7
Deferred Charges Adjustments**

	Adjustments (\$000s)
Prudence Adjustments	(8,185)
Capital Assets	(73,142)
Deferred Charges	17,849
Total	(63,478)

1 Prudence Adjustments

2 Adjustments totalling \$8.2 million were made in accordance with the Prudence Order and
3 approved by the Board in the GRA Order.³⁵

4

5 Capital Assets

6 As approved by the Board in the GRA Order, Hydro removed \$73.7 million from its 2014 rate
7 base to adjust for capital assets that were originally scheduled to go into service in 2014 but did
8 not go into service until 2015.³⁶ This adjustment is slightly offset by an adjustment of \$0.6
9 million, which is necessary to avoid double counting the GRA adjustment and prudence
10 adjustment related to the Western Avalon tap changer and the Sunnyside terminal. The total
11 adjustment to the 2014 capital rate base is \$73.1 million as a result of the GRA Order.

12

13 Deferred Charges

14 Hydro added \$17.8 million to average rate base, which reflects the net impact of several
15 adjustments to deferred costs, which are summarized in Table 8.

- 16 • 2014 Cost Deferral - In the 2014 Test Year, it was assumed that the 2014 Cost Deferral of
17 \$45.9 million³⁷ would be paid out of the Rate Stabilization Plan (RSP) on December 31,
18 2014; however, Hydro did not receive approval to pay the deferral balance out of the
19 RSP in 2014. As such, Hydro has adjusted to include the 2014 Cost Deferral in 2014

³⁵ Order No. P.U. 49(2016), page 20.

³⁶ Ibid., page 83.

³⁷ Order No. P.U. 58(2014), page 9.

1 average rate base, which reflects an increase of \$23 million.³⁸ Hydro also adjusted its
 2 2014 forecast revenue deficiency by \$1.69 million as a result of the GRA Order. The
 3 average rate base impact of this adjustment is a reduction of \$0.9 million.³⁹ The net
 4 impact of these two adjustments is \$22.1 million dollars.

- 5 • 2014 Fuel Supply Deferral - In 2014, Hydro had included \$9.96 million in the fuel supply
 6 deferral, \$9.65 million which was approved by the Board in Order No. P.U. 56(2014), and
 7 \$0.3 million which was erroneously included. The Prudence Order determined that
 8 \$1.42 million of the deferral was imprudent and the Board disallowed recovery of that
 9 amount,⁴⁰ leaving a balance of \$8.23 million. The Board disagreed with Hydro’s proposal
 10 to recover the balance of the deferral over 5 years and requested that Hydro recover
 11 the costs with the 2014 revenue deficiency, which Hydro has proposed to do. As such,
 12 Hydro decreased its 2014 average rate base by \$4.3 million.⁴¹

**Table 8
Deferred Charges Adjustments**

	Adjustments (\$000s)
2014 Cost Deferral	22,116
Fuel Supply Deferral	(4,267)
Total Average Deferral Impact	17,849

13 The net impact of the \$8.2 million reduction in relation to the Prudence Order, the \$73.1 million
 14 reduction to average capital assets, and the \$17.8 million increase to average deferred charges
 15 is a \$63.5 million reduction in Hydro’s 2014 Test Year average rate base.

³⁸ (2014 opening balance (\$0) + 2014 closing balance (\$45.9 million))/2 = \$22.95 million.

³⁹ (2014 opening balance (\$0) + 2014 closing balance (-\$1.69 million))/2 = \$0.845 million.

⁴⁰ Order No. P.U. 49(2016), page 82.

⁴¹ (2014 opening balance (\$0) + 2014 closing balance (-\$8.534 million))/2 = \$4.267 million.

1 **3.3 2014 Return on Rate Base**

2 In the Amended GRA, Hydro proposed a 2014 Test Year return on rate base of \$120.6 million. In
3 this GRA Compliance Application, Hydro is proposing a revised 2014 Test Year return on rate
4 base of \$116.9 million. The difference of \$3.7 million is a result of a decrease of \$0.6 million in
5 compliance with the Prudence Order⁴² and a \$3.1 million decrease in compliance with the GRA
6 Order.

7

8 The \$3.1 million decrease is a combination of the following:

- 9
- 10 • A decrease in unadjusted return on regulated equity of \$1.0 million as a result of Board
11 ordered adjustments to 2014 Test Year revenue requirement for the calculation of
12 revenue deficiency and a corresponding return on rate base of 7.18%;
 - 13 • A decrease of \$2.1 million in costs related to the debt guarantee fee. Hydro proposed to
14 include \$3.7 million in the 2014 Test Year revenue requirement to reflect the debt
15 guarantee fee paid by Hydro to Government, pursuant to Order in Council OC2011-218;
16 however, the Board ordered that Hydro revise the amount of the debt guarantee fee
17 included in the 2014 Test Year revenue requirement to reflect a 50/50 apportionment of
18 the calculated cost savings.⁴³ Hydro's 2014 adjustment of \$2.1 million was calculated
19 using the methodology presented in Undertaking 139, which was accepted by the Board
20 for the calculation of the 2015 debt guarantee fee.⁴⁴ For consistency, Hydro applied the
21 same methodology in calculating its 2014 debt guarantee fee. The impact of this
22 adjustment on Hydro's embedded cost of debt is reflected in Schedule 3 of Appendix A
to this report.

⁴² Order No. P.U. 49(2016), page 20.

⁴³ Ibid., page 81.

⁴⁴ Ibid., page 60.

1 **3.4 2014 Rate of Return on Rate Base**

2 Hydro’s revised 2014 return on rate base is 7.18%, reflecting a return on equity of 8.8%, as
 3 permitted by the Board in the GRA Order.⁴⁵ Schedule 4 of Appendix A to this report summarizes
 4 Hydro’s capital structure.

6 **4.0 2015 Test Year Revenue Requirement for Rate Setting**

7 The GRA Order required Hydro to file a revised 2015 Test Year revenue requirement based on
 8 the findings of the Board. Table 9 shows a summary of the adjustments required to derive
 9 Hydro’s revised 2015 Test Year revenue requirement for rate setting purposes. Each adjustment
 10 is discussed in detail in subsequent sections. Schedules 1 and 2 of Appendix B illustrate the
 11 underlying adjustments which support the content of Table 9.

Table 9
Summary of Revised 2015 Test Year Revenue Requirement for Rate Setting

Line No.	Particulars	Amended GRA (\$000s)	GRA Compliance (\$000s)	Adjustments (\$000s)
	Expenses			
1	Operating expenses	138,179	131,350	(6,829)
2	Other Income and expense	4,074	4,074	-
3	Fuel	269,811	187,464	(82,347)
4	Power purchases	63,254	62,827	(427)
5	Amortization	63,792	63,230	(562)
6	Accretion of asset retirement obligation	878	748	(130)
7	less: Cost of service exclusions	(323)	(1,177)	(854)
8	Total Expenses (A)	539,665	448,516	(91,149)
9				-
10	Return on rate base (B)	122,810	117,994	(4,816)
11				
12	2015 Revenue requirement (C) = (A) + (B)	662,475	566,510	(95,965)
13				
14	Average rate base (D)	1,802,024	1,785,353	(16,671)
15				
16	Rate of return on rate base (E) = (B) / (D)	6.82%	6.61%	-0.21%

⁴⁵ Ibid., page 83.

1 **4.1 Expenses**

2 **4.1.1 Operating Expenses**

3 Based on the Board’s determinations in the GRA Order, Hydro is required to reduce its 2015
 4 Test Year operating expenses for rate setting by approximately \$6.8 million. The adjustments
 5 are summarized in Table 10.

**Table 10
 Operating Expense Adjustments**

	Adjustments (\$000s)
Prudence Adjustment	(41)
Salaries & Benefits	(5,633)
Intercompany transactions	(115)
Professional Services – PUB Costs	(540)
Travel	(500)
Total	(6,829)

6 Salaries & Benefits

7 The Board Ordered Hydro to revise its proposed 2015 Test Year salaries and benefits costs to
 8 reflect:

- 9 i. a disallowance of \$4.0 million;⁴⁶
- 10 ii. a vacancy allowance of 55 full time equivalents (FTE), which based on Hydro’s 2015
 11 vacancy allowance forecast of \$3.34 million for 40 FTEs,⁴⁷ requires an adjustment of
 12 approximately \$1.25 million;⁴⁸ and
- 13 iii. removal of the costs associated with the short-term incentive program, which were
 14 approximately \$380,000⁴⁹ in 2015.⁵⁰

⁴⁶ Order No. P.U. 49(2016), page 46.

⁴⁷ CA-NLH-104, Rev.1, page 4.

⁴⁸ $(\$3,340,000 / 40 \text{ FTEs}) * (15 \text{ FTEs}) = \$1,252,500$.

⁴⁹ PUB-NLH-304, Rev.1.

⁵⁰ Order No. P.U. 49(2016), page 46.

1 Intercompany Transactions

2 The Board ordered Hydro to reduce its proposed 2015 intercompany charges by \$115,000 to
 3 account for fully burdened costs in the admin fee.⁵¹

4

5 Professional Services

6 Hydro included \$2.3 million of Board-related costs in its Amended GRA. The Board approved
 7 \$1.75 million, requiring an adjustment of \$540,000.⁵²

8

9 Travel

10 The Amended GRA proposed 2015 travel costs of \$3.6 million. The Board ordered that Hydro
 11 reduce this amount by \$500,000.⁵³

12

13 **4.1.2 Fuel**

14 Hydro’s Amended GRA included \$269.8 million for fuel expenses. Hydro has adjusted its fuel
 15 expenses by \$82.3 million to reflect the Prudence Order and the GRA Order. The composition of
 16 the \$82.3 million adjustment is summarized in Table 11. Each item is further discussed below.

**Table 11
 Fuel Adjustments**

	Adjustments (\$000s)
Prudence Order adjustment	(284)
No. 6 fuel price adjustment	(75,877)
Holyrood coversion factor adjustment	(3,009)
Isolated diesel fuel price adjustment	(1,470)
Reversal of amortization of 2014 fuel supply deferral account	(1,707)
Total	(82,347)

⁵¹ Ibid., page 38.

⁵² Ibid., page 51.

⁵³ Ibid.

1 As Hydro’s Prudence Compliance filing was accepted by the Board,⁵⁴ the \$0.3 million
 2 adjustment related to the Prudence Order is included for clarity.

3
 4 The Board accepted Hydro’s revised fuel price forecasts in the GRA Order.⁵⁵ This required Hydro
 5 to adjust its No. 6 fuel price forecast from \$93.32 per barrel, as included in the Amended GRA,
 6 down to \$64.41 per barrel. The total impact is \$75.9 million, as illustrated in Table 12.

**Table 12
 No. 6 Fuel Adjustment**

	Amended GRA	GRA Compliance	Difference
Holyrood Production (GWh)	1,593.0	1,593.0	-
Conversion Rate (kWh/bbl)	607	607	-
Test Year Barrels (bbls)	2,624,369	2,624,369	-
Price difference per bbl (\$/bbl)	93.32	64.41	(28.91)
No. 6 Fuel Cost Adjustment (\$000s)	244,913	169,036	(75,877)

7 The Board ordered Hydro to apply a conversion factor of 618 kWh per barrel for No. 6 fuel for
 8 the Holyrood Thermal Generating Station.⁵⁶ As such, Hydro had to make an adjustment to
 9 reflect the change from the 607 kWh per barrel it had applied in its Amended GRA, which had
 10 an impact of \$3.0 million dollars, as demonstrated in Table 13.

**Table 13
 Fuel Conversion Factor Adjustment**

	Amended GRA	GRA Compliance	Difference
Holyrood Production (GWh)	1,593.0	1,593.0	-
Conversion Rate Difference (kWh/bbl)	607	618	11
Test Year Barrels (bbls)	2,624,369	2,577,657	(46,712)
Price difference per bbl (\$)	64.41	64.41	-
No. 6 Fuel Adjustment (\$000s)	169,036	166,027	(3,009)

⁵⁴ Ibid., page 20.

⁵⁵ Ibid., page 29.

⁵⁶ Ibid., page 32.

1 The Board’s approval of Hydro’s revised fuel forecasts also requires Hydro to adjust the
 2 expense included in the Amended GRA for No. 2 fuel consumption by its isolated diesel
 3 generators to reflect a change from \$1.10/litre to \$1.01/litre. The total impact of revised No. 2
 4 fuel forecast price is \$1.47 million. Table 14 shows the calculation of this adjustment.

**Table 14
 No. 2 Fuel Adjustments**

	Amended GRA			GRA Compliance		Difference	
	Litres	Price per litre \$/litre	Fuel Cost (\$000s)	Price per litre \$/litre	Fuel Cost (\$000s)	Price per litre \$/litre	Fuel Cost (\$000s)
	(a)	(b)	(c) = (a) * (b)	(d)	(e) = (a) * (d)	(f) = (d) - (b)	(g) = (e) - (c)
January	1,618	1.13	1,837	1.05	1,691	(0.09)	(145)
February	1,526	1.11	1,696	1.02	1,562	(0.09)	(134)
March	1,499	1.11	1,660	1.02	1,529	(0.09)	(131)
April	1,335	1.10	1,474	1.02	1,357	(0.09)	(117)
May	1,271	1.08	1,369	0.99	1,261	(0.09)	(108)
June	1,353	1.08	1,455	0.99	1,340	(0.09)	(115)
July	1,338	1.07	1,433	0.99	1,320	(0.08)	(113)
August	1,311	1.07	1,409	0.99	1,297	(0.08)	(111)
September	1,313	1.09	1,428	1.00	1,315	(0.09)	(113)
October	1,310	1.09	1,428	1.00	1,315	(0.09)	(113)
November	1,400	1.11	1,551	1.02	1,429	(0.09)	(123)
December	1,679	1.10	1,853	1.02	1,707	(0.09)	(146)
Total	16,953	1.10	18,592	1.01	17,123	(0.09)	(1,470)

5 The final adjustment to fuel expenses is \$1.7 million related to the amortization of the 2014
 6 fuel supply cost deferral. As discussed in section 3.1.2 of this report, Hydro had initially
 7 proposed that \$9.9 million⁵⁷ in the 2014 fuel supply deferral be amortized over five years in its
 8 Amended GRA. As a portion of the 2014 fuel supply deferral was disallowed in the Prudence
 9 Order and Hydro is proposing to recover the balance with its 2014 revenue deficiency,
 10 amortization of approximately \$2.0 million⁵⁸ must be reversed from the 2015 Test Year. The

⁵⁷ \$0.3 million of this balance was erroneously included in Hydro’s Amended GRA. To correct this error, Hydro has removed this amount from its 2014 Test Year fuel expenses and has not included it in 2014 revenue deficiency. However, as Hydro’s amortization of the 2014 Test Year Fuel expense was based on the full \$9.9 million, amortization of approximately \$2.0 million (\$9.9 million / 5 years) must be reversed from the 2015 Test Year.

⁵⁸ \$9.9 million / 5 years = \$2.0 million.

1 \$0.3 million adjustment related to the Prudence Order and the \$1.7 million GRA Order
2 adjustment both relate to the reversal of this amortization from the 2015 Test Year.

3

4 **4.1.3 Power Purchases**

5 A reduction of \$0.43 million was made to power purchases to reflect the Board's approval of
6 Hydro's updated fuel price forecasts,⁵⁹ which approved a decrease from \$0.1357/kWh to
7 \$0.1181 KWh for power purchases. The impact of this adjustment is a decrease in power
8 purchase costs of \$0.43 million, as illustrated on page 2 of Information 50, which was filed on
9 October 28, 2015, as part of the GRA proceedings.

10

11 **4.1.4 Amortization and Accretion**

12 Hydro's 2015 amortization and accretion has been adjusted by approximately \$692,000.
13 Approximately \$135,000 of the total adjustment relates to the Prudence Order. Hydro's
14 proposed adjustments in relation to the Prudence Order were approved by the Board in the
15 GRA Order.⁶⁰

16

17 The remainder of the balance reflects the terms of the Settlement Agreement.⁶¹ As part of the
18 Settlement Agreement, which was approved by the Board in the GRA Order,⁶² the parties
19 agreed that Hydro's proposal to include depreciation and accretion expenses associated with
20 asset retirement obligations should be approved with the amounts reduced from \$3.2 million
21 for the 2015 Test Year to \$2.6 million.⁶³ Table 15 summarizes the adjustments made to
22 Amortization and Accretion.

⁵⁹ Order No. P.U. 49(2016), page 29.

⁶⁰ Ibid.

⁶¹ Settlement Agreement, August 14, 2015, page 2, item 9.

⁶² Order No. P.U. 49(2016), page 18.

⁶³ Settlement Agreement, August 14, 2015, page 2, item 9.

**Table 15
Amortization and Accretion Adjustments**

	Adjustments (\$000s)
Amortization of Capital	(135)
Amortization of Asset Retirement Obligation	(427)
Accretion of Asset Retirement Obligation	(130)
Total	(692)

1

2 **4.2 2015 Test Year Average Rate Base for Rate Setting**

3 In the Amended GRA, Hydro proposed a 2015 Test Year average rate base for rate setting of
 4 \$1,802.0 million. In this GRA Compliance Application, Hydro is proposing a revised 2015 Test
 5 Year average rate base for rate setting of \$1,785.4 million. The composition of the \$16.7
 6 million⁶⁴ difference is shown in Table 16 below.

**Table 16
Test Year Average Rate Base Adjustments**

	Adjustments (\$000s)
Prudence Order adjustment	(11,786)
Fuel inventory adjustment	(19,235)
Deferred charges adjustment	14,352
Total	(16,669)

7 Prudence Order

8 A reduction of \$11.8 million was made in accordance with the Prudence Order, which was
 9 approved by the Board in the GRA Order.⁶⁵

⁶⁴ Difference of \$0.1 million due to rounding.

⁶⁵ Order No. P.U. 49(2016), page 20.

1 Fuel Inventory

2 A reduction of \$19.2 million was made to reflect the change in fuel inventory from the \$93.32
 3 per barrel proposed in the Amended GRA to the \$64.41 per barrel approved in the GRA
 4 Order.⁶⁶ The calculations supporting this adjustment are shown in Table 17.

**Table 17
 No. 6 Fuel Inventory Adjustment**

Month	Type	No. 6 Fuel Inventory		2015 Test Year		Revised 2015 Test Year		Adjustments	
		(bbls)	Price (\$)	Inventory (\$000s)	Price (\$)	Inventory (\$000s)	Price (\$)	Inventory (\$000s)	
January	Opening	831,428	97.65	81,192	57.55	47,849	(40.10)	(33,343)	
January	Closing	808,380	95.91	77,532	57.55	46,522	(38.36)	(31,010)	
February	Closing	826,271	94.08	77,738	59.85	49,452	(34.23)	(28,285)	
March	Closing	823,371	93.40	76,902	61.41	50,563	(31.99)	(26,339)	
April	Closing	563,437	93.40	52,625	61.41	34,601	(31.99)	(18,024)	
May	Closing	561,987	92.98	52,252	62.64	35,203	(30.34)	(17,049)	
June	Closing	484,013	92.98	45,002	62.64	30,319	(30.34)	(14,684)	
July	Closing	484,013	92.98	45,002	62.64	30,319	(30.34)	(14,684)	
August	Closing	484,013	92.98	45,002	62.64	30,319	(30.34)	(14,684)	
September	Closing	458,016	92.98	42,585	62.64	28,690	(30.34)	(13,895)	
October	Closing	490,141	93.38	45,767	66.51	32,599	(26.87)	(13,168)	
November	Closing	630,207	92.35	58,198	71.70	45,186	(20.65)	(13,012)	
December	Closing	807,057	90.76	73,247	76.05	61,377	(14.71)	(11,870)	
Average		634,795		59,465		40,231		(19,234)	

5 Deferred Charges

6 Hydro added \$14.4 million to average rate base reflecting the average impact of several
 7 adjustments to deferred costs, which are summarized in Table 18.

- 8 • In the 2014, it was assumed that the 2014 Cost Deferral of \$45.9 million⁶⁷ would be
 9 paid out of the Rate Stabilization Plan (RSP) on December 31, 2014; however, Hydro did
 10 not receive approval to pay the deferral balance out of the RSP in 2014. As such, Hydro
 11 has adjusted to include the 2015 Cost Deferral in 2015 average rate base, which reflects
 12 an increase of \$23 million.⁶⁸ Hydro also adjusted its 2015 forecast revenue deficiency by
 13 \$1.69 million as a result of the GRA Order. The average rate base impact of this

⁶⁶ Ibid., page 29.

⁶⁷ Order No. P.U. 58(2014), page 9.

⁶⁸ (2015 opening balance (\$0) + 2014 closing balance (\$45.9 million))/2 = \$22.95 million.

1 adjustment is a reduction of \$0.9 million.⁶⁹ The net impact of these two adjustments is
 2 \$22.1 million dollars.

- 3 • Hearing Costs - Hydro had applied for \$1.0 million in costs related to the GRA hearing to
 4 be amortized over three years in its Amended GRA. The Board approved \$0.75 million in
 5 costs to be amortized over three years.⁷⁰ Hydro had to make an adjustment to reduce
 6 hearing costs by \$250,000 and reverse \$83,000 in associated amortization costs. The
 7 average impact of this is \$125,000 in Hearing Costs and \$41,667 in amortization costs.⁷¹
- 8 • 2014 Fuel Supply Deferral – Hydro had to remove the \$8.53 million associated with the
 9 2014 fuel supply costs⁷² to reflect recovery with the 2014 revenue deficiency. As
 10 amortization of the deferral account was only intended to begin in 2015, Hydro reversed
 11 \$854,000 to reflect average amortization over the year.⁷³

12

**Table 18
 Deferred Charges Adjustment**

	Adjustments (\$000s)
2014 Cost Deferral	22,116
Hearing Costs	(125)
Amortization of Hearing Costs	42
Fuel Supply Deferral	(8,534)
Amortization of Fuel Supply Deferral	854
Total Adjustment	14,352

13 **Capital Assets**

14 As approved by the Board in the GRA Order, Hydro included the full-year impact of 2014
 15 delayed in-service assets in its 2015 Test Year average rate base for the purpose of setting

⁶⁹ (2015 opening balance (\$0) + 2014 closing balance (-\$1.69 million))/2 = \$0.845 million.

⁷⁰ Order No. P.U. 49(2016), page 51.

⁷¹ (Opening balance (\$0) + Closing balance (\$250,000)) / 2 = \$125,000.

(Opening balance (\$0) + Closing balance (\$83,333)) / 2 = \$41,667.

⁷² \$8.23 million related to fuel supply deferral; \$0.3 million relates to correction of error described in section 3.2.

⁷³ (Opening balance (\$0) + Closing balance (\$1.707 million)) / 2 = \$853,500.

1 rates.⁷⁴ As this approach was proposed by Hydro in the Amended GRA, no adjustment was
2 made by Hydro for the revised 2015 average rate base for rate setting to reflect a partial in-
3 service year of these assets. An adjustment has been made to revised 2015 average rate base
4 for calculating revenue deficiency, which is discussed in section 5.2.

5

6 **4.3 2015 Test Year Return on Rate Base for Rate Setting**

7 In the Amended GRA, Hydro proposed a 2015 Test Year return on rate base of \$122.8 million. In
8 its current application, Hydro is proposing a revised 2015 Test Year return on rate base of
9 \$118.0 million. The difference of \$4.8 million is a result of a decrease of \$0.8 million in
10 compliance with the Prudence Order⁷⁵ and a \$4.0 million decrease in compliance with the GRA
11 Order.

12 The \$4.0 million decrease is a combination of the following:

- 13 • A decrease in unadjusted return on regulated equity of \$4.2 million as a result of Board
14 ordered adjustments to 2015 Test Year revenue requirement for rate setting purposes
15 and a corresponding return on rate base of 6.61%;
- 16 • A decrease of \$2.6 million in costs related to the debt guarantee fee. Hydro proposed to
17 include \$4.5 million in its 2015 Test Year revenue requirement to reflect the debt
18 guarantee fee paid by Hydro to Government, pursuant to Order in Council OC2011-218;
19 however, the Board ordered that Hydro revise the amount of the debt guarantee fee
20 included in the 2015 Test Year revenue requirement to reflect a 50/50 apportionment of
21 the calculated cost savings.⁷⁶ Hydro's 2015 adjustment of \$2.6 million was calculated
22 using the methodology presented in Undertaking 139, which was accepted by the Board
23 for the calculation of the 2015 debt guarantee fee.⁷⁷ The impact of this adjustment on
24 Hydro's embedded cost of debt is reflected in Schedule 3 of Appendix B to this report;
25 and

⁷⁴ Order No. P.U. 49(2016), page 64.

⁷⁵ Ibid., page 20.

⁷⁶ Ibid., page 81.

⁷⁷ Ibid., page 60.

- An increase of \$2.8 million, which reflects a credit to the RSP interest associated with the reduction in fuel price from \$93.32 per barrel to \$64.41 per barrel.

4.4 2015 Test Year Rate of Return on Rate Base for Rate Setting

Hydro’s revised 2015 return on rate base for rate setting purposes is 6.61%, reflecting a return on equity of 8.5%, as permitted by the Board in the GRA Order. Schedule 4 of Appendix B to this report summarizes Hydro’s capital structure.⁷⁸

5.0 Revenue Requirement for 2015 Revenue Deficiency

Table 19 shows a summary of the adjustments required to derive Hydro’s revenue requirement for 2015 revenue deficiency. Each adjustment is discussed in detail in subsequent sections. Schedules 1 and 2 of Appendix C to this report illustrate the underlying adjustments which support the content of Table 19.

Table 19
Summary of Revenue Requirement for 2015 Revenue Deficiency

Line No.	Particulars	Amended GRA (\$000s)	GRA Compliance (\$000s)	Adjustments (\$000s)
	Expenses			
1	Operating expenses	138,179	130,350	(7,829)
2	Other Income and expense	4,074	4,074	-
3	Fuel	269,811	164,239	(105,572)
4	Power purchases	63,254	62,827	(427)
5	Amortization	63,792	63,230	(562)
6	Accretion of asset retirement obligation	878	748	(130)
	less: Cost of service exclusions	(323)	(1,177)	(854)
7	Total Expenses (A)	539,665	424,291	(115,374)
8				-
9	Return on rate base (B)	122,810	115,330	(7,480)
10				
11	2015 Revenue requirement (C) = (A) + (B)	662,475	539,621	(122,854)
12				
13	Average rate base (D)	1,802,024	1,729,093	(72,931)
14				
15	Rate of return on rate base (E) = (B) / (D)	6.82%	6.67%	-0.15%

⁷⁸ Ibid., page 24.

1 **5.1 Expenses**

2 **5.1.1 Operating Expenses**

3 Based on the Board’s determinations in the GRA Order, Hydro is required to reduce its 2015
 4 Test Year operating expenses for revenue deficiency by approximately \$7.8 million. The
 5 adjustments to operating expenses are summarized in Table 20

**Table 20
 Operating Expense Adjustments**

	Adjustments (\$000s)
Prudence Adjustment	(1,041)
Salaries & Benefits	(5,633)
Intercompany transactions	(115)
Professional Services – PUB Costs	(540)
Travel	(500)
Total	(7,829)

6 Prudence Adjustment

7 Approximately \$1.0 million relates to adjustments made in accordance with the Prudence
 8 Order and approved by the Board in the GRA Order.⁷⁹

9

10 Salaries & Benefits

11 The Board ordered Hydro to revise its proposed 2015 Test Year salaries and benefits costs to
 12 reflect:

- 13 i. a disallowance of \$4.0 million;⁸⁰
- 14 ii. a vacancy allowance of 55 full time equivalents (FTE), which based on Hydro’s 2015
 15 vacancy allowance forecast of \$3.34 million for 40 FTEs,⁸¹ requires an adjustment of
 16 approximately \$1.25 million;⁸² and

⁷⁹ Newfoundland and Labrador Hydro Prudence Review Compliance Report, May 25, 2016, Schedule 3.

⁸⁰ Order No. P.U. 49(2016), page 46.

⁸¹ CA-NLH-104, Rev.1, page 4.

⁸² $(\$3,340,000 / 40 \text{ FTEs}) * (15 \text{ FTEs}) = \$1,252,500.$

1 iii. removal of the costs associated with the short-term incentive program, which were
2 approximately \$380,000⁸³ in 2015.⁸⁴

3

4 Intercompany Transactions

5 The Board ordered Hydro to reduce its proposed 2015 intercompany charges by \$115,000 to
6 account for fully burdened costs in the admin fee.⁸⁵

7

8 Professional Services

9 Hydro included \$2.3 million of Board-related costs in its Amended GRA. The Board approved
10 \$1.75 million, requiring an adjustment to its operating expenses of \$540,000.⁸⁶

11

12 Travel

13 The Amended GRA proposed 2015 travel costs of \$3.6 million. The Board ordered that Hydro
14 reduce this amount by \$500,000.⁸⁷

15

16 **5.1.2 Fuel**

17 Hydro's Amended GRA included \$269.8 million for fuel expenses. Hydro has adjusted its fuel
18 expenses by \$105.6 million to reflect the Prudence Order and the GRA Order. The composition
19 of the \$105.6 million adjustment is summarized in Table 21. Each item is further discussed
20 below.

⁸³ PUB-NLH-304, Rev.1.

⁸⁴ Order No. P.U. 49(2016), page 46.

⁸⁵ Ibid., page 38.

⁸⁶ Ibid., page 51.

⁸⁷ Ibid., page 51.

**Table 21
Fuel Adjustments**

	Adjustments (\$000s)
Prudence Order adjustment	(284)
No. 6 fuel price adjustment	(99,523)
Holyrood conversion factor adjustment	(2,588)
Isolated diesel fuel price adjustment	(1,470)
Reversal of amortization of 2014 fuel supply deferral account	(1,707)
Total	(105,572)

1 As Hydro’s Prudence Compliance filing was accepted by the Board,⁸⁸ the adjustment related to
2 the Prudence Order is included for clarity.

3
4 The Board accepted Hydro’s revised fuel price forecasts in the GRA Order.⁸⁹ This required Hydro
5 to adjust its No. 6 fuel price forecast from \$93.32 per barrel, as included in the Amended GRA,
6 down to \$64.41 per barrel for rate setting purposes. However, to apply \$64.41 per barrel for
7 the purpose of calculating revenue deficiency is not appropriate as it would overstate revenue
8 deficiency for 2015 and 2016. As such, Hydro has applied \$55.40 per barrel for fuel for the
9 purposes of calculating revenue deficiency for 2015 and 2016.⁹⁰

10
11 The total impact of the adjusted fuel price is reflected in Table 22.

**Table 22
No. 6 Fuel Adjustment**

	Amended GRA	GRA Compliance	Difference
Holyrood Production (GWh)	1,593	1,593	-
Conversion Rate (kWh/bbl)	607	607	-
Test Year Barrels (bbls)	2,624,369	2,624,369	-
Price difference per bbl (\$/bbl)	93.32	55.40	(37.92)
No. 6 Fuel Cost Adjustment (\$000s)	244,913	145,390	(99,523)

⁸⁸ Ibid., page 20.

⁸⁹ Ibid., page 29.

⁹⁰ The requirement to use \$55.40 fuel price instead of \$64.41 is further discussed in Exhibit 3 – 2013 GRA Compliance Report – Recovery of Revenue Deficiencies, page 7.

1 The Board Ordered Hydro to apply a conversion factor of 618 kWh per barrel for No. 6 fuel for
2 the Holyrood Thermal Generating Station.⁹¹ As such, Hydro had to make an adjustment to
3 reflect the change from the 607 kWh per barrel it had applied in its Amended GRA, which had
4 an impact of \$2.6 million dollars, as shown in Table 23.

Table 23
Fuel Conversion Factor Adjustment

	Amended GRA	GRA Compliance	Difference
Holyrood Production (GWh)	1,593	1,593	-
Conversion Rate Difference (kWh/bbl)	607	618	11
Test Year Barrels (bbls)	2,624,369	2,577,657	(46,712)
Price difference per bbl (\$)	55.40	55.40	-
No. 6 Fuel Cost (\$000s)	145,390	142,802	(2,588)

5 The Board's approval of Hydro's revised fuel forecasts also requires Hydro to adjust the
6 expense included in the Amended GRA for No. 2 fuel consumption by its isolated diesel
7 generators to reflect a change from \$1.10/litre to \$1.01/litre. The total impact of revised No. 2
8 fuel forecast price is \$1.47 million. Table 24 shows the calculation of this adjustment.

⁹¹ Order No. P.U. 49(2016), page 32.

Table 24
No. 2 Fuel Adjustment

	Amended GRA			GRA Compliance		Difference	
	Litres	Price per litre \$/litre	Fuel Cost (\$000s)	Price per litre \$/litre	Fuel Cost (\$000s)	Price per litre \$/litre	Fuel Cost (\$000s)
	(a)	(b)	(c) = (a) * (b)	(d)	(e) = (a) * (d)	(f) = (d) - (b)	(g) = (e) - (c)
January	1,618	1.13	1,837	1.05	1,691	(0.09)	(145)
February	1,526	1.11	1,696	1.02	1,562	(0.09)	(134)
March	1,499	1.11	1,660	1.02	1,529	(0.09)	(131)
April	1,335	1.10	1,474	1.02	1,357	(0.09)	(117)
May	1,271	1.08	1,369	0.99	1,261	(0.09)	(108)
June	1,353	1.08	1,455	0.99	1,340	(0.09)	(115)
July	1,338	1.07	1,433	0.99	1,320	(0.08)	(113)
August	1,311	1.07	1,409	0.99	1,297	(0.08)	(111)
September	1,313	1.09	1,428	1.00	1,315	(0.09)	(113)
October	1,310	1.09	1,428	1.00	1,315	(0.09)	(113)
November	1,400	1.11	1,551	1.02	1,429	(0.09)	(123)
December	1,679	1.10	1,853	1.02	1,707	(0.09)	(146)
Total	16,953	1.10	18,592	1.01	17,123	(0.09)	(1,470)

1 The final adjustment to fuel expenses is \$1.7 million related to the amortization of the 2014
2 fuel supply cost deferral. As discussed in section 3.1.2 of this report, Hydro had initially
3 proposed that \$9.9 million⁹² in the 2014 fuel supply deferral to be amortized over five years in
4 its Amended GRA. As a portion of the 2014 fuel supply deferral was disallowed in the Prudence
5 Order and Hydro now proposing to recover the balance with its 2014 revenue deficiency,
6 amortization of approximately \$2.0 million⁹³ must be reversed from the 2015 Test Year. The
7 \$2.0 million is reduced by \$0.3 million amortization which was already disallowed in the
8 Prudence adjustments.

⁹² \$0.3 million of this balance was erroneously included in Hydro's Amended GRA. To correct this error, Hydro has removed this amount from its 2014 Test Year fuel expenses and has not included it in 2014 revenue deficiency. However, as Hydro's amortization of the 2014 Test Year Fuel expense was based on the full \$9.9 million, amortization of approximately \$2.0 million (\$9.9 million / 5 years) must be reversed from the 2015 Test Year.

⁹³ \$9.9 million / 5 years = \$2.0 million.

1 5.1.3 Power Purchases

2 A reduction of \$0.43 million was made to power purchases to reflect the Board’s approval of
 3 Hydro’s updated fuel price forecasts,⁹⁴ which approved a decrease from \$0.1357/kWh to
 4 \$0.1181 kWh for power purchases. The impact of this adjustment is a decrease in power
 5 purchase costs of \$0.43 million, as illustrated on page 2 of Information 50, which was filed on
 6 October 28, 2015, as part of the GRA proceedings.

8 5.1.4 Amortization and Accretion

9 Hydro’s 2015 amortization and accretion has been adjusted by approximately \$692,000.
 10 Approximately \$135,000 of the total adjustment relates to the Prudence Order. Hydro’s
 11 proposed adjustments in relation to the Prudence Order were approved by the Board in the
 12 GRA Order.⁹⁵

13
 14 The remainder of the balance reflects the terms of the Settlement Agreement.⁹⁶ As part of the
 15 Settlement Agreement, which was approved by the Board in the GRA Order,⁹⁷ the parties
 16 agreed that Hydro’s proposal to include depreciation and accretion expenses associated with
 17 asset retirement obligations should be approved with the amounts reduced from \$3.2 million
 18 for the 2015 Test Year to \$2.6 million.⁹⁸ Table 25 summarizes the adjustments made to
 19 Amortization and Accretion.

**Table 25
 Amortization and Accretion Adjustments**

	Adjustments (\$000s)
Amortization of Capital	(135)
Amortization of Asset Retirement Obligation	(427)
Accretion of Asset Retirement Obligation	(130)
	(692)

⁹⁴ Order No. P.U. 49(2016), page 29.

⁹⁵ Ibid.

⁹⁶ Settlement Agreement, August 14, 2015, page 2, item 9.

⁹⁷ Order No. P.U. 49(2016), page 18.

⁹⁸ Settlement Agreement, August 14, 2015, page 2, item 9.

1 **5.2 Average Rate Base for 2015 Revenue Deficiency**

2 In the Amended GRA, Hydro proposed a 2015 Test Year average rate base of \$1,802.0 million.
 3 In its current application, Hydro is proposing a revised 2015 Test Year average rate base of
 4 \$1,729.1 million. The adjustments underlying the \$72.9 million difference are shown in Table
 5 26.

**Table 26
 Average Rate Base Adjustments**

	Adjustments (\$000s)
Prudence Order adjustment	(11,786)
Capital asset adjustment	(73,142)
Fuel inventory adjustment	(24,469)
Deferred charges adjustment	36,467
Total	(72,930)

6 Prudence Order

7 Total adjustments of \$11.8 million were made in accordance with the Prudence Order. The
 8 Board accepted Hydro’s Prudence Compliance filing as being in accordance with the Prudence
 9 Order in the GRA Order.⁹⁹

10

11 Capital Assets

12 As proposed in the Amended GRA and approved by the Board in the GRA Order, Hydro
 13 removed \$73.7 million from its 2014 rate base to reflect the Holyrood combustion turbine and
 14 other capital assets that were originally scheduled to go into service in 2014 but actually went
 15 into service in 2015.¹⁰⁰ As these assets went into service in 2015, an adjustment of \$73.7 million
 16 was made to decrease capital rate base to reflect a partial year in service for the purpose of
 17 calculating average rate base in 2015. This adjustment is slightly offset by an adjustment of \$0.6
 18 million, which is necessary to avoid double counting the GRA adjustment and prudence

⁹⁹ Order No. P.U. 49(2016), page 20.

¹⁰⁰ Ibid., page 83.

1 adjustment related to the Western Avalon tap changer and the Sunnyside terminal. The total
 2 adjustment to the 2014 capital rate base is \$73.1 million.

3

4 **Fuel Inventory**

5 A reduction of \$24.5 million was made to reflect the change in fuel inventory from the \$93.32
 6 per barrel proposed in the Amended GRA to the \$55.40 per barrel incurred.¹⁰¹ The calculations
 7 supporting this adjustment are shown in Table 27.

**Table 27
 No. 6 Fuel Inventory Adjustment¹⁰²**

Month	Type	No. 6 Fuel		2015 Test Year		Revised 2015 Test Year		Adjustment	
		Inventory	Price (\$)	Inventory (\$000s)	Price (\$)	Inventory (\$000s)	Price (\$)	Inventory (\$000s)	
January	Opening	831,428	97.65	81,192	54.17	45,040	(43.48)	(36,152)	
January	Closing	808,380	95.91	77,532	54.17	43,791	(41.74)	(33,741)	
February	Closing	826,271	94.08	77,738	54.73	45,218	(39.36)	(32,519)	
March	Closing	823,371	93.40	76,902	55.46	45,667	(37.94)	(31,235)	
April	Closing	563,437	93.40	52,625	55.46	31,250	(37.94)	(21,374)	
May	Closing	561,987	92.98	52,252	55.46	31,170	(37.51)	(21,082)	
June	Closing	484,013	92.98	45,002	54.49	26,375	(38.49)	(18,627)	
July	Closing	484,013	92.98	45,002	54.49	26,375	(38.49)	(18,627)	
August	Closing	484,013	92.98	45,002	54.49	26,375	(38.49)	(18,627)	
September	Closing	458,016	92.98	42,585	54.49	24,958	(38.49)	(17,627)	
October	Closing	490,141	93.38	45,767	54.56	26,742	(38.82)	(19,025)	
November	Closing	630,207	92.35	58,198	54.56	34,384	(37.79)	(23,814)	
December	Closing	807,057	90.76	73,247	58.98	47,598	(31.78)	(25,649)	
Average		634,795		59,465		34,996		(24,469)	

8 **Deferred Charges**

9 Hydro added \$36.5 million to average rate base reflecting the average impact of several
 10 adjustments to deferred costs, which are summarized in Table 28.

- 11 • In the 2014, it was assumed that the 2014 Cost Deferral of \$45.9 million¹⁰³ would be
 12 paid out of the Rate Stabilization Plan (RSP) on December 31, 2014; however, Hydro did
 13 not receive approval to pay the deferral balance out of the RSP in 2014. As such, Hydro
 14 has adjusted to include the 2015 Cost Deferral in 2015 average rate base, which reflects

¹⁰¹ Ibid., page 29.

¹⁰² Revised 2015 Test Year prices are 2007 cost of service rates.

¹⁰³ Order No. P.U. 58(2014), page 9.

- 1 an increase of \$23 million.¹⁰⁴ Hydro also adjusted its 2015 forecast revenue deficiency
 2 by \$1.69 million as a result of the GRA Order. The average rate base impact of this
 3 adjustment is a reduction of \$0.9 million.¹⁰⁵ The net impact of these two adjustments is
 4 \$22.1 million dollars.
- 5 • Hearing Costs - Hydro had applied for \$1.0 million in costs related to the GRA hearing to
 6 be amortized over three years in its Amended GRA. The Board approved \$750,000 in
 7 costs to be amortized over three years.¹⁰⁶ Hydro had to make an adjustment to reduce
 8 hearing costs by \$250,000 and reverse \$83,000 in associated amortization costs. The
 9 average impact of this is \$125,000 in Hearing Costs and \$41,667 in amortization costs.¹⁰⁷
 - 10 • 2014 Fuel Supply Deferral - Hydro had to remove the \$8.53 million associated with the
 11 2014 fuel supply costs¹⁰⁸ to reflect recovery with the 2014 revenue deficiency. As
 12 amortization of the deferral account was only intended to begin in 2015, Hydro reversed
 13 \$854,000 to reflect average amortization over the year.¹⁰⁹

**Table 28
 Summary of Deferred Charges Adjustment**

	Adjustments (\$000s)
2014 Cost Deferral	44,231
Hearing Costs	(125)
Amortization of Hearing Costs	42
Fuel Supply Deferral	(8,534)
Amortization of Fuel Supply Deferral	854
Total Adjustment	36,467

¹⁰⁴ (2015 opening balance (\$0) + 2014 closing balance (\$45.9 million))/2 = \$22.95 million.

¹⁰⁵ (2015 opening balance (\$0) + 2014 closing balance (-\$1.69 million))/2 = \$0.845 million.

¹⁰⁶ Order No. P.U. 49(2016), page 51.

¹⁰⁷ (Opening balance (\$0) + Closing balance (\$250,000)) / 2 = \$125,000.

(Opening balance (\$0) + Closing balance (\$83,333)) / 2 = \$41,667.

¹⁰⁸ \$8.23 million related to fuel supply deferral; \$0.3 million relates to correction of error described in section 3.2.

¹⁰⁹ (Opening balance (\$0) + Closing balance (\$1.707 million)) / 2 = \$853,500.

1 **5.3 Return on Rate Base for 2015 Revenue Deficiency**

2 In the Amended GRA, Hydro proposed a 2015 Test Year return on rate base of \$122.8 million. In
3 its current application, Hydro is proposing a revised 2015 Test Year return on rate base of
4 \$115.3 million for the purposes of calculation of 2015 revenue deficiency. The difference of
5 \$7.5 million is a result of a decrease of \$0.8 million in compliance with the Prudence Order¹¹⁰
6 and a \$6.7 million decrease in compliance with the GRA Order.

7

8 The \$6.7 million decrease is a combination of the following:

- 9 • A decrease in unadjusted return on regulated equity of \$9.6 million as a result of Board
10 ordered adjustments to 2015 Test Year revenue requirement for rate setting purposes
11 and a corresponding return on rate base of 6.67%;
- 12 • A decrease of \$2.6 million in costs related to the debt guarantee fee. Hydro proposed to
13 include \$4.5 million in the 2015 Test Year revenue requirement to reflect the debt
14 guarantee fee paid by Hydro to Government, pursuant to Order in Council OC2011-218;
15 however, the Board ordered that Hydro revise the amount of the debt guarantee fee
16 included in the 2015 Test Year revenue requirement to reflect a 50/50 apportionment of
17 the calculated cost savings.¹¹¹ Hydro's 2015 adjustment of \$2.6 million was calculated
18 using the methodology presented in Undertaking 139, which was accepted by the Board
19 for the calculation of the 2015 debt guarantee fee.¹¹² The impact of this adjustment on
20 Hydro's embedded cost of debt is reflected in Schedule 3 of Appendix C to this report;
21 and
- 22 • An increase of \$5.5 million, which reflects a credit to the RSP interest associated with
23 the reduction in fuel price from \$93.32 per barrel to \$54.40 per barrel.

¹¹⁰ Order No. P.U. 49(2016), page 20.

¹¹¹ *Ibid.*, page 81.

¹¹² *Ibid.*, page 60.

1 **5.4 Rate of Return on Rate Base for 2015 Revenue Deficiency**

2 Hydro’s revised 2015 return on rate base for 2015 revenue deficiency is 6.67%, reflecting a
 3 return on equity of 8.8%, as permitted by the Board in the GRA Order. Schedule 4 of Appendix
 4 C to this report summarizes Hydro’s capital structure.

6 **6.0 Revenue Requirement for Rate Setting vs. 2015 Revenue Deficiency**

7 Table 29 compares the revised 2015 Test Year for rate setting purposes against the revised
 8 2015 Test Year for revenue deficiency. Attachment D to this report contains the schedules
 9 which illustrate the underlying adjustments which support the content of Table 29. The
 10 differences are discussed below.

Table 29
Revised 2015 Test Year Revenue Requirement for Rate Setting vs.
Revised Revenue Requirement for 2015 Revenue Deficiency

Line No.	Particulars	2015 for Rate Setting (\$000s)	2015 for Revenue Deficiency (\$000s)	Difference (\$000s)
	Expenses			
1	Operating expenses	131,350	130,350	(1,000)
2	Other Income and expense	4,074	4,074	-
3	Fuel	187,464	164,239	(23,225)
4	Power purchases	62,827	62,827	-
5	Amortization	63,230	63,230	-
6	Accretion of asset retirement obligation	748	748	-
7	less: Cost of service exclusions	(1,177)	(1,177)	-
8	(A)	448,516	424,291	(24,225)
9				-
10	Return on rate base	(B) 117,994	115,330	(2,664)
11				
12	2016 Revenue requirement	(C) = (A) + (B) 566,510	539,621	(26,889)
13				
14	Average rate base	(D) 1,785,353	1,729,093	(56,260)
15				
16	Rate of return on rate base	(E) = (B) / (D) 6.61%	6.67%	0.06%

1 Operating Expenses

2 The \$1.0 million difference in operating expenses is related to adjustments made based on the
 3 Prudence Order in each of the Test Years. In the GRA Order, the Board accepted Hydro’s
 4 Prudence Compliance filing as being compliant with the Prudence Order.¹¹³

6 Fuel

7 The \$23.2 million difference in fuel expense is related to the use of \$64.41 per barrel for fuel for
 8 rate setting, as approved by the Board in the GRA Order,¹¹⁴ and \$55.40 per barrel for
 9 calculation revenue deficiency. The rationale for the use of the different fuel prices is
 10 highlighted in section 5.1.2. Table 30 highlights the difference in fuel price adjustments for 2015
 11 rate setting and 2015 revenue deficiency.

**Table 30
 Summary of Proposed Fuel Adjustments**

	2015 Rate Setting Adjustments (\$000s)	2015 Revenue Deficiency Adjustments (\$000s)	Difference (\$000s)
Prudence Order adjustment	(284)	(284)	-
No. 6 fuel price adjustment	(75,877)	(99,523)	(23,646)
Holyrood conversion factor adjustment	(3,009)	(2,588)	421
Isolated diesel fuel price adjustment	(1,470)	(1,470)	-
Reversal of amortization of 2014 fuel supply deferral account	(1,707)	(1,707)	-
Total	(82,347)	(105,572)	(23,225)

12 Average Rate Base

13 The \$56.3 million difference in average rate base is a result of several factors, as follows:

- 14 • Hydro had to adjust the fuel inventory in both Test Years to reflect a change in price
- 15 from \$93.32 per barrel to \$64.41 for rate setting purposes and \$55.40 for determining

¹¹³ Ibid., page 20.

¹¹⁴ Ibid., page 29.

1 revenue deficiency. The discrepancy in price for the two Test Years causes a difference
 2 of \$5.2 million;

- 3 • The Board allowed inclusion of the capital assets that were intended to be in service in
 4 2014 but did not go in service until early 2015 for a full year for rate setting purposes;¹¹⁵
 5 therefore, no adjustment was required in this Test Year. However, for the purposes of
 6 calculating revenue deficiency, Hydro required an adjustment to reflect the fact that the
 7 assets were not in service for the whole year. The impact of this adjustment caused a
 8 difference of \$73.1 million between the two Test Years; and
- 9 • For the purposes of rate setting, the 2014 cost deferral balance is included for a half
 10 year to reflect the recovery of the deficiency in 2017; however, for the purposes of
 11 calculating revenue deficiency, it is included for a full year to reflect the fact that it was
 12 not recovered in 2015. The impact of this adjustment is \$22.1 million variance between
 13 the two Test Years.

14

15 Table 31 highlights the difference in average rate base adjustments for 2015 rate setting and
 16 2015 revenue deficiency.

**Table 31
 Average Rate Base Adjustments**

	2015 Rate Setting Adjustment (\$000s)	2015 Revenue Deficiency Adjustment (\$000s)	Difference (\$000s)
Prudence Order adjustment	(11,786)	(11,786)	-
Fuel adjustment	(19,235)	(24,469)	(5,234)
Capital asset adjustment	-	(73,142)	(73,142)
Deferred charges adjustment	14,352	36,467	22,115
Total	(16,669)	(72,930)	(56,261)

¹¹⁵ Ibid., page 51.

1 Return on Rate Base

2 The \$2.7 million difference in return on rate base is a result of the increase in return on the
 3 average rate base adjustments of \$3.7 million¹¹⁶, which is partially offset by \$1.1 million related
 4 to the change in rate of return on rate base between 2015 Test Year for rate setting vs. 2015
 5 revenue deficiency of 6.61% and 6.67%, respectively.¹¹⁷

6

7 **7.0 Revenue Requirement for 2016 Revenue Deficiency**

8 To determine the revenue requirement to assess revenue deficiency for 2016, Hydro modified
 9 to 2015 Test Year revenue requirement for rate setting to reflect the \$55.40 No. 6 fuel cost in
 10 2015. This impacted fuel expense and rate base through a lower fuel inventory. Table 32
 11 compares the revised 2015 Test Year revenue requirement for rate setting purposes against the
 12 revenue requirement for 2016 revenue deficiency. The differences are discussed below.

Table 32
Revised 2015 Revenue Requirement for Rate Setting vs.
Revenue Requirement for 2016 Revenue Deficiency

Line No.	Particulars	2015 for Rate Setting (\$000s)	2016 for Revenue Deficiency (\$000s)	Difference (\$000s)
	Expenses			
1	Operating expenses	131,350	131,350	-
2	Other Income and expense	4,074	4,074	-
3	Fuel	187,464	164,239	(23,225)
4	Power purchases	62,827	62,827	-
5	Amortization	63,230	63,230	-
6	Accretion of asset retirement obligation	748	748	-
7	less: Cost of service exclusions	(1,177)	(1,177)	-
8	(A)	448,516	425,291	(23,225)
9				-
10	Return on rate base (B)	117,994	119,092	1,098
11				
12	2016 Revenue requirement (C) = (A) + (B)	566,510	544,383	(22,127)
13				
14	Average rate base (D)	1,785,353	1,802,235	16,882
15				
16	Rate of return on rate base (E) = (B) / (D)	6.61%	6.61%	0.00%

¹¹⁶ (\$56.3 million adjustment to average rate base) * (6.61 % rate of return on rate base) = \$3.7 million.

¹¹⁷ (\$1802.0 Amended GRA 2015 Test Year average rate base) * ((6.61% rate of return for rate setting (2015 Test Year) – (6.67% rate of return for revenue deficiency (2015))) = \$1.1 million.

1 Fuel

2 The \$23.2 million difference in fuel expense is related to the use of \$64.41 per barrel for fuel for
 3 rate setting, as approved by the Board in the GRA Order,¹¹⁸ and \$55.40 per barrel for
 4 calculation revenue deficiency. The rationale for the use of the different fuel prices is
 5 highlighted in section 5.1.2. Table 33 highlights the difference in fuel price adjustments for 2015
 6 rate setting and 2015 revenue deficiency.

**Table 33
Proposed Fuel Adjustments**

	2015 Rate Setting Adjustment (\$000s)	2016 Revenue Deficiency Adjustment (\$000s)	Difference (\$000s)
Prudence Order adjustment	(284)	(284)	-
No. 6 fuel price adjustment	(75,877)	(99,523)	(23,646)
Holyrood conversion factor adjustment	(3,009)	(2,588)	421
Isolated diesel fuel price adjustment	(1,470)	(1,470)	-
Reversal of amortization of 2014 fuel supply deferral account	(1,707)	(1,707)	-
Total	(82,347)	(105,572)	(23,225)

7 Average Rate Base

8 The \$16.9 million difference in average rate base is a result of several factors, as follows:

- 9 • Hydro had to adjust the fuel inventory in both Test Years to reflect a change in price
 10 from \$93.32 per barrel to \$64.41 for rate setting purposes and \$55.40 for determining
 11 revenue deficiency. The discrepancy in price for the two Test Years causes a difference
 12 of \$5.2 million; and
- 13 • For the purposes of rate setting, the 2014 cost deferral balance is included for a half
 14 year to reflect the recovery of the deficiency in 2016; however, for the purposes of
 15 calculating revenue deficiency, it is included for a full year to reflect the fact that it was
 16 not recovered in 2016. The impact of this adjustment is \$22.1 million variance between
 17 the two Test Years.

¹¹⁸ Order No. P.U. 49(2016), page 29.

1 Table 34 highlights the difference in average rate base adjustments for 2015 rate setting and
 2 2016 revenue deficiency.

Table 34
Average Rate Base Adjustments

	2015 Rate Setting Adjustment (\$000s)	2016 Revenue Deficiency Adjustment (\$000s)	Difference (\$000s)
Prudence Order adjustment	(11,786)	(11,786)	-
Fuel adjustment	(19,235)	(24,469)	(5,234)
Deferred charges adjustment	14,352	36,467	22,115
Total	(16,669)	212	16,881

3 Return on Rate Base

4 The \$1.1 million difference in return on rate base is a result of the return on the average rate
 5 base adjustments.¹¹⁹

7 **8.0 Excess Earnings Definition**

8 In the GRA Order, the Board ordered Hydro to file a revised excess earnings account definition
 9 to reflect a range of rate of return on rate base of +/- 20 basis points. This definition is provided
 10 in Appendix E to this report.

11

12 **9.0 Conclusion**

13 The contents of this report have addressed each of the following orders from the GRA Order
 14 directing Hydro to:

- 15 • file for approval of the Board its proposed 2013 average rate base, reflecting the
 16 findings of the Board in the GRA Order;¹²⁰
- 17 • file a revised 2014 Test Year revenue requirement for the purpose of determining the
 18 2014 revenue deficiency to reflect the findings of the Board in the GRA Order;¹²¹

¹¹⁹ (\$16.9 million adjustment to average rate base) * (6.61 % rate of return on rate base) = \$1.1 million.

¹²⁰ Order No. P.U. 49(2016), page 127.

- 1 • file a revised 2014 Test Year forecast average rate base and rate of return on rate base
2 for the purpose of calculating the 2014 revenue deficiency reflecting the delayed in-
3 service of 2014 capital additions as well as the findings of the Board in the GRA Order,
4 including a target return on equity of 8.8%;¹²²
- 5 • file a revised 2015 Test Year revenue requirement for the purpose of setting rates to
6 reflect the findings of the Board in the GRA Order;¹²³
- 7 • file a revised 2015 Test Year forecast average rate base and rate of return on rate base
8 for rate setting purposes to reflect the findings of the Board in this Decision and Order,
9 including a target return on equity of 8.5%;¹²⁴
- 10 • file a revised 2015 Test Year revenue requirement for the purpose of determining the
11 2015 revenue deficiency to reflect the findings of the Board in the GRA Order;¹²⁵
- 12 • file a revised 2015 Test Year forecast average rate base and rate of return on rate base
13 for the purpose of calculating the 2015 revenue deficiency, reflecting the delayed in-
14 service of 2014 capital additions as well as the findings of the Board in the GRA Order,
15 including a target return on equity of 8.8%;¹²⁶ and
- 16 • file a revised excess earnings account definition to reflect a range of rate of return on
17 rate base of +/- 20 basis points.¹²⁷

18
19 This report documents Hydro's calculation of its revised 2014 and 2015 Test Year revenue
20 requirements, average rate base, and rate of return on rate base, based on the proposals in the
21 Amended GRA, the impacts of the prudence disallowances,¹²⁸ and the determinations and
22 instructions of the Board in the GRA Order.¹²⁹ As requested by the Board,¹³⁰ this report also

¹²¹ Ibid., page 81.

¹²² Ibid., page 83.

¹²³ Ibid., page 61.

¹²⁴ Ibid., page 66.

¹²⁵ Ibid., page 86.

¹²⁶ Ibid.

¹²⁷ Ibid., page 137.

¹²⁸ Order No. P.U. 13(2016).

¹²⁹ Order No. P.U. 49(2016). Based on the GRA Order, Hydro updated the pertinent finance schedules, which are presented in appendices and referenced throughout this report, for inclusion in the GRA Compliance Application. Hydro has not included all finance schedules which were included in the 2013 Amended Application in this report

- 1 includes an overview of Hydro’s revenue requirement for 2016 revenue deficiency. Recovery of
- 2 revenue deficiency is addressed separately in Exhibit 3 to the GRA Compliance Application,
- 3 *2013 GRA Compliance Report – Recovery of Revenue Deficiencies.*

as the information is either already presented throughout the Compliance Application in a different format or it did not require adjustments to be compliant with the GRA Order.

¹³⁰ Order No. P.U. 49(2016, page 130.

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Statement of Income and Retained Earnings (\$000s)

	<u>Test year</u> 2014	<u>Prud. Adjust</u> 2014	<u>Fuel Adjust.</u> 2014	<u>GRA Adjust.</u> 2014	<u>Revised TY</u> 2014
1 Revenue					
2 Energy sales	514,599				514,599
3 Revenue deficiency	45,921	(6,119)		(1,690)	38,112
4 Other revenue	2,335				2,335
5 Total revenue	<u>562,855</u>	<u>(6,119)</u>	<u>-</u>	<u>(1,690)</u>	<u>555,046</u>
6					
7 Expenses					
8 Operating expenses	126,068	(4,755)	-	(6,611)	114,702
9 Other Income and expense	2,068				2,068
10 Fuels	191,758			8,534	200,292
11 Power purchases	66,668				66,668
12 Amortization	55,214	6	-	(427)	54,793
13 Accretion of asset retirement obligation	852			(126)	726
14 Interest	89,723		-	(2,099)	87,624
15 Total expenses	<u>532,351</u>	<u>(4,749)</u>	<u>-</u>	<u>(729)</u>	<u>526,873</u>
16					
17 Net income	<u>30,504</u>	<u>(1,370)</u>	<u>-</u>	<u>(961)</u>	<u>28,173</u>
18			-		
19 Retained earnings					
20 Balance at beginning of year	231,383				231,383
21 Opening adjustment - retained earnings	-				-
22 Dividends	-				-
23 Balance at end of year	<u>261,887</u>	<u>(1,370)</u>	<u>-</u>	<u>(961)</u>	<u>259,556</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Rate of Return on Rate Base (\$000s)

	<u>Test year</u> 2014	<u>Prud. Adjust</u> 2014	<u>Fuel Adjust.</u> 2014	<u>GRA Adjust.</u> 2014	<u>Revised TY</u> 2014
1 Property, plant, and equipment	1,673,188	(5,372)		(61,164)	1,606,652
2 add: accumulated depreciation	193,532	13		(89,010)	104,535
3 add: contributions in aid of construction	16,550			(13,489)	3,061
5 less: work in progress	(42,950)			(85,053)	(128,003)
6 Capital assets in service	<u>1,840,320</u>	<u>(5,359)</u>	-	<u>(249,842)</u>	<u>1,586,244</u>
7 less: asset retirement obligation	(14,442)			(66)	(14,508)
8 less: contributions in aid of construction	(16,550)			13,489	(3,061)
9 less: accumulated depreciation	(193,532)			89,010	(104,522)
10 Capital assets - current year	<u>1,615,796</u>	<u>(5,359)</u>	-	<u>(146,283)</u>	<u>1,464,153</u>
11 Capital assets - previous year	<u>1,432,533</u>	-	-	-	<u>1,432,533</u>
12 Unadjusted capital assets - average	1,524,165	(2,680)	-	(73,142)	1,448,343
13 less: Average net assets not in use	(2,941)	(5,273)	-	-	(8,214)
14 Capital assets - average	<u>1,521,224</u>	<u>(7,953)</u>	-	<u>(73,142)</u>	<u>1,440,129</u>
15					
16 Cash working capital allowance	9,207				9,207
17 Fuel	65,110		-	-	65,110
18 Materials and supplies	25,823				25,823
19 Deferred charges	71,203	1,723	-	17,849	90,774
20 less: Deferred Charges not in use		(1,955)	-	-	(1,955)
21					
22 Average rate base	<u>1,692,567</u>	<u>(8,185)</u>	-	<u>(55,293)</u>	<u>1,629,088</u>
23					
24 Unadjusted return on regulated equity	30,504	(1,370)	-	(961)	28,173
25 add: Cost of service exclusions	336	788	-	-	1,124
26 Interest	89,723	-	-	(2,099)	87,624
27 Return on rate base	<u>120,563</u>	<u>(583)</u>	-	<u>(3,060)</u>	<u>116,920</u>
28					
29 Rate of return on rate base	<u>7.12%</u>				<u>7.18%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Forecast Average Cost of Debt (\$'000s)

Series	Interest Rate	Year of Issue	Year of Maturity	Test year 2014	Adjustments	Compliance 2014
1 Series V	10.50%	1989	2014	-	-	-
2 Series X	10.25%	1992	2017	150,000	-	150,000
3 Series Y	8.40%	1996	2026	300,000	-	300,000
4 Series AB	6.65%	2001	2031	300,000	-	300,000
5 Series AD	5.70%	2003	2033	125,000	-	125,000
6 Series AE	4.30%	2006	2016	225,000	-	225,000
7 Series AF	3.60%	2014	2044	200,000	-	200,000
8 Total debentures				1,300,000	-	1,300,000
9						
10 Promissory notes				145,564	-	145,564
11 Less:						
12 Sinking funds				(235,693)	-	(235,693)
13 Non-regulated debt pool				(8,187)	-	(8,187)
14 Unamortized debt discount and financing				(1,730)	-	(1,730)
15						
16 Total debt				<u>1,199,954</u>	<u>-</u>	<u>1,199,954</u>
17						
18 Average debt				<u>1,058,966</u>	<u>-</u>	<u>1,058,966</u>
19						
20				Test year	Adjustments	Compliance
21				2014	2014	2014
22 Embedded cost of debt						
23 Long-term debt				86,288	-	86,288
24 Accretion of long-term debt				514	-	514
25 Amortization of foreign exchange losses				2,157	-	2,157
26 Debt guarantee fee				3,683	(2,099)	1,584
27 Other interest				1,053	-	1,053
28 Interest on sinking fund				(16,026)	-	(16,026)
29				<u>77,669</u>	<u>(2,099)</u>	<u>75,570</u>
30						
31 Embedded cost of debt				<u>7.33%</u>	-0.20%	<u>7.14%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Capital Structure (\$000s)

	<u>Test year</u> 2014	<u>Prud. Adjust</u> 2014	<u>Fuel Adjust.</u> 2014	<u>GRA Adjust.</u> 2014	<u>Revised TY</u> 2014
1 Regulated capital structure					
2 Long-term debt	1,252,042				1,252,042
3 Promissory notes	145,564				145,564
4 Promissory notes - related party	-				-
5 less: sinking funds	(220,536)				(220,536)
6 add: mark to market of sinking funds	31,071				31,071
7	<u>1,208,141</u>	-	-	-	<u>1,208,141</u>
8 Cost of service exclusions	-				-
9 Non-regulated debt pool	(8,187)				(8,187)
10 Net regulated debt	<u>1,199,954</u>	-	-	-	<u>1,199,954</u>
11 Asset retirement obligation	24,792			(4,657)	20,135
12 less: unfunded asset retirement obligation	(14,442)			4,103	(10,339)
13 Employee future benefits	66,213				66,213
14 Contributed capital	100,000				100,000
15 Retained earnings cost of service exclusions	977	788	-	-	1,765
16 Retained earnings	261,887	(1,370)	332	(961)	259,556
17 Total	<u><u>1,639,381</u></u>	<u><u>(583)</u></u>	<u><u>332</u></u>	<u><u>(1,514)</u></u>	<u><u>1,637,284</u></u>
18					
19 Regulated capital structure (%)					
20 Debt	73.2%				73.3%
21 Asset retirement obligation	0.6%				0.6%
22 Employee future benefits	4.0%				4.0%
23 Equity	22.1%				22.1%
24 Total	<u><u>100.0%</u></u>				<u><u>100.0%</u></u>
25					
26 Regulated average capital structure (%)					
27 Debt	71.4%				71.4%
28 Asset retirement obligation	0.6%				0.6%
29 Employee future benefits	4.4%				4.4%
30 Equity	23.65%				23.62%
31 Total	<u><u>100.0%</u></u>				<u><u>100.0%</u></u>
32					
33 Weighted average cost of capital (WACC)					
34 Embedded cost of debt	7.33%	0.00%	0.00%	-0.20%	7.14%
35 Asset retirement obligation	0.00%	0.00%	0.00%	0.00%	0.00%
36 Employee future benefits	0.00%	0.00%	0.00%	0.00%	0.00%
37 Equity	8.80%	0.00%	0.00%	0.00%	8.80%
38 WACC	<u><u>7.32%</u></u>				<u><u>7.18%</u></u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Statement of Income and Retained Earnings (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> Test Year	<u>Fuel Adjust.</u> Test Year	<u>GRA Adjust.</u> Test Year	<u>Rate Setting</u> Test Year
1 Revenue					
2 Energy sales	659,967	(2,119)	(82,071)	(11,775)	564,002
3 Revenue deficiency	-				-
4 Other revenue	2,508				2,508
5 Total revenue	<u>662,475</u>	<u>(2,119)</u>	<u>(82,071)</u>	<u>(11,775)</u>	<u>566,510</u>
6					
7 Expenses					
8 Operating expenses	138,179	(41)	-	(6,788)	131,350
9 Other Income and expense	4,074		-		4,074
10 Fuels	269,811	(284)	(80,356)	(1,707)	187,464
11 Power purchases	63,254		(427)		62,827
12 Amortization	63,792	(135)	-	(427)	63,230
13 Accretion of asset retirement obligation	878		-	(130)	748
14 Interest	89,255		2,758	(2,560)	89,453
15 Total expenses	<u>629,243</u>	<u>(461)</u>	<u>(78,025)</u>	<u>(11,612)</u>	<u>539,145</u>
16					
17 Net income	<u>33,232</u>	<u>(1,658)</u>	<u>(4,046)</u>	<u>(163)</u>	<u>27,364</u>
18					
19 Retained earnings					
20 Balance at beginning of year	261,887	(1,370)	-	(961)	259,556
21 Opening adjustment - retained earnings	-				-
22 Dividends	-				-
23 Balance at end of year	<u>295,119</u>	<u>(3,028)</u>	<u>(4,046)</u>	<u>(1,124)</u>	<u>286,920</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Rate of Return on Rate Base (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> Test Year	<u>Fuel Adjust.</u> Test Year	<u>GRA Adjust.</u> Test Year	<u>Rate Setting</u> Test Year
1 Property, plant, and equipment	1,889,482	(6,599)			1,882,883
2 add: accumulated depreciation	203,834	167			204,001
3 add: contributions in aid of construction	17,936				17,936
5 less: work in progress	<u>(240,977)</u>				<u>(240,977)</u>
6 Capital assets in service	1,870,275	(6,432)			1,863,843
7 less: asset retirement obligation	(12,169)				(12,169)
8 less: contributions in aid of construction	(17,936)				(17,936)
9 less: accumulated depreciation	<u>(203,834)</u>				<u>(203,834)</u>
10 Capital assets - current year	1,636,336	(6,432)	-	-	1,629,904
11 Capital assets - previous year	<u>1,615,796</u>	<u>(5,359)</u>	-	-	<u>1,610,437</u>
12 Unadjusted capital assets - average	1,626,066	(5,896)	-	-	1,620,170
13 less: Average net assets not in use	<u>(2,605)</u>	<u>(4,713)</u>			<u>(7,318)</u>
14 Capital assets - average	1,623,461	(10,609)	-	-	1,612,852
15					
16 Cash working capital allowance	7,037				7,037
17 Fuel	66,633		(19,235)	-	47,398
18 Materials and supplies	27,402				27,402
19 Deferred charges	77,491	3289	-	14,352	95,132
20 less: Deferred Charges not in use		<u>(4,467)</u>			<u>(4,467)</u>
21					
22 Average rate base	<u>1,802,024</u>	<u>(11,786)</u>	<u>(19,235)</u>	<u>14,352</u>	<u>1,785,353</u>
23					
24 Unadjusted return on regulated equity	33,232	(1,658)	(4,046)	(163)	27,364
25 add: Cost of service exclusions	323	854	-	-	1,177
26 Interest	<u>89,255</u>	-	<u>2,758</u>	<u>(2,560)</u>	<u>89,453</u>
27 Return on rate base	<u>122,810</u>	<u>(804)</u>	<u>(1,288)</u>	<u>(2,723)</u>	<u>117,994</u>
28					
29 Rate of return on rate base	<u>6.82%</u>				<u>6.61%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Forecast Average Cost of Debt (\$000)

Series	Interest Rate	Year of Issue	Year of Maturity	Test Year 2015	Adjustments	Rate Setting 2015
1 Series V	10.50%	1989	2014	-	-	-
2 Series X	10.25%	1992	2017	150,000	-	150,000
3 Series Y	8.40%	1996	2026	300,000	-	300,000
4 Series AB	6.65%	2001	2031	300,000	-	300,000
5 Series AD	5.70%	2003	2033	125,000	-	125,000
6 Series AE	4.30%	2006	2016	225,000	-	225,000
7 Series AF	3.60%	2014	2044	600,000	-	600,000
8 Total debentures				1,700,000	-	1,700,000
9						
10 Promissory notes				-	-	-
11 Less:						
12 Sinking funds				(257,000)	-	(257,000)
13 Non-regulated debt pool				(8,187)	-	(8,187)
14 Unamortized debt discount and financing				(1,235)	-	(1,235)
15						
16 Total debt				<u>1,433,578</u>	<u>-</u>	<u>1,433,578</u>
17						
18 Average debt				<u>1,316,766</u>	<u>-</u>	<u>1,316,766</u>
19						
20				Test year	Adjustments	Rate Setting
21				2015	2015	2015
22 Embedded cost of debt						
23 Long-term debt				95,325	-	95,325
24 Accretion of long-term debt				495	-	495
25 Amortization of foreign exchange losses				2,157	-	2,157
26 Debt guarantee fee				4,447	(2,560)	1,887
27 Other interest				(1,230)	-	(1,230)
28 Interest on sinking fund				(13,413)	-	(13,413)
29				<u>87,781</u>	<u>(2,560)</u>	<u>85,221</u>
30						
31 Embedded cost of debt				<u>6.67%</u>	<u>-0.19%</u>	<u>6.47%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Capital Structure (\$'000)

	Test year 2015	Prud. Adjust Test Year	Fuel Adjust. Test Year	GRA Adjust. Test Year	Rate Setting Test Year
1 Regulated capital structure					
2 Long-term debt	1,649,544				1,649,544
3 Promissory notes	-				-
4 Promissory notes - related party	-				-
5 less: sinking funds	(238,850)				(238,850)
6 add: mark to market of sinking funds	31,071				31,071
7	<u>1,441,765</u>	-	-	-	<u>1,441,765</u>
8 Cost of service exclusions	-				-
9 Non-regulated debt pool	(8,187)				(8,187)
10 Net regulated debt	<u>1,433,578</u>	-	-	-	<u>1,433,578</u>
11 Asset retirement obligation	25,526			(4,786)	20,740
12 less: unfunded asset retirement obligation	(12,169)			3,676	(8,493)
13 Employee future benefits	72,454				72,454
14 Contributed capital	100,000				100,000
15 Retained earnings cost of service exclusions	1,300	854	-	-	2,154
16 Retained earnings	295,119	(3,028)	(4,046)	(1,124)	286,920
17 Total	<u><u>1,915,808</u></u>	<u><u>(2,174)</u></u>	<u><u>(4,046)</u></u>	<u><u>(2,234)</u></u>	<u><u>1,907,353</u></u>
18					
19 Regulated capital structure (%)					
20 Debt	74.8%				75.2%
21 Asset retirement obligation	0.7%				0.6%
22 Employee future benefits	3.8%				3.8%
23 Equity	<u>20.7%</u>				<u>20.4%</u>
24 Total	<u><u>100.0%</u></u>				<u><u>100.0%</u></u>
25					
26 Regulated average capital structure (%)					
27 Debt	74.8%				74.2%
28 Asset retirement obligation	0.7%				0.6%
29 Employee future benefits	3.8%				3.9%
30 Equity	<u>20.69%</u>				<u>21.23%</u>
31 Total	<u><u>100.0%</u></u>				<u><u>100.0%</u></u>
32					
33 Weighted average cost of capital (WACC)					
34 Embedded cost of debt	6.67%	0.00%	0.00%	-0.19%	6.47%
35 Asset retirement obligation	0.00%	0.00%	0.00%	0.00%	0.00%
36 Employee future benefits	0.00%	0.00%	0.00%	0.00%	0.00%
37 Equity	<u>8.80%</u>	0.00%	0.00%	-0.30%	<u>8.50%</u>
38 WACC	<u><u>6.81%</u></u>				<u><u>6.61%</u></u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Statement of Income and Retained Earnings (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> 2015	<u>Fuel Adjust.</u> 2015	<u>GRA Adjust.</u> 2015	<u>Revenue Def.</u> 2015
1 Revenue					
2 Energy sales	659,967	(3,119)	(105,639)	(14,098)	537,111
3 Revenue deficiency	-				-
4 Other revenue	2,508				2,508
5 Total revenue	<u>662,475</u>	<u>(3,119)</u>	<u>(105,639)</u>	<u>(14,098)</u>	<u>539,619</u>
6					
7 Expenses					
8 Operating expenses	138,179	(1,041)	-	(6,788)	130,350
9 Other Income and expense	4,074				4,074
10 Fuels	269,811	(284)	(103,581)	(1,707)	164,239
11 Power purchases	63,254		(427)		62,827
12 Amortization	63,792	(135)	-	(427)	63,230
13 Accretion of asset retirement obligation	878		-	(130)	748
14 Interest	89,255		5,466	(2,560)	92,161
15 Total expenses	<u>629,243</u>	<u>(1,461)</u>	<u>(98,542)</u>	<u>(11,612)</u>	<u>517,628</u>
16					
17 Net income	<u>33,232</u>	<u>(1,658)</u>	<u>(7,097)</u>	<u>(2,486)</u>	<u>21,990</u>
18					
19 Retained earnings					
20 Balance at beginning of year	261,887	(1,370)	-	(961)	259,556
21 Opening adjustment - retained earnings	-				-
22 Dividends	-				-
23 Balance at end of year	<u>295,119</u>	<u>(3,028)</u>	<u>(7,097)</u>	<u>(3,447)</u>	<u>281,546</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Rate of Return on Rate Base (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> 2015	<u>Fuel Adjust.</u> 2015	<u>GRA Adjust.</u> 2015	<u>Revenue Def.</u> 2015
1 Property, plant, and equipment	1,889,482	(6,599)			1,882,883
2 add: accumulated depreciation	203,834	167			204,001
3 add: contributions in aid of construction	17,936				17,936
5 less: work in progress	<u>(240,977)</u>				<u>(240,977)</u>
6 Capital assets in service	1,870,275	(6,432)			1,863,843
7 less: asset retirement obligation	(12,169)				(12,169)
8 less: contributions in aid of construction	(17,936)				(17,936)
9 less: accumulated depreciation	<u>(203,834)</u>				<u>(203,834)</u>
10 Capital assets - current year	1,636,336	(6,432)	-	-	1,629,904
11 Capital assets - previous year	<u>1,615,796</u>	<u>(5,359)</u>	-	(146,283)	<u>1,464,153</u>
12 Unadjusted capital assets - average	1,626,066	(5,896)	-	(73,142)	1,547,029
13 less: Average net assets not in use	<u>(2,605)</u>	<u>(4,713)</u>			<u>(7,318)</u>
14 Capital assets - average	1,623,461	(10,609)	-	(73,142)	1,539,711
15					
16 Cash working capital allowance	7,037				7,037
17 Fuel	66,633		(24,469)	-	42,164
18 Materials and supplies	27,402				27,402
19 Deferred charges	77,491	3,289	-	36,467	117,247
20 less: Deferred Charges not in use		(4,467)			(4,467)
21					
22 Average rate base	<u>1,802,024</u>	<u>(11,786)</u>	<u>(24,469)</u>	<u>(36,675)</u>	<u>1,729,093</u>
23					
24 Unadjusted return on regulated equity	33,232	(1,658)	(7,097)	(2,486)	21,991
25 add: Cost of service exclusions	323	854	-	-	1,177
26 Interest	<u>89,255</u>	-	5,466	(2,560)	<u>92,161</u>
27 Return on rate base	<u>122,810</u>	<u>(803)</u>	<u>(1,631)</u>	<u>(5,046)</u>	<u>115,330</u>
28					
29 Rate of return on rate base	<u>6.82%</u>				<u>6.67%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Forecast Average Cost of Debt (\$000s)

Series	Interest Rate	Year of Issue	Year of Maturity	Test Year 2015	Adjustments	Rate Setting 2015
1 Series V	10.50%	1989	2014	-	-	-
2 Series X	10.25%	1992	2017	150,000	-	150,000
3 Series Y	8.40%	1996	2026	300,000	-	300,000
4 Series AB	6.65%	2001	2031	300,000	-	300,000
5 Series AD	5.70%	2003	2033	125,000	-	125,000
6 Series AE	4.30%	2006	2016	225,000	-	225,000
7 Series AF	3.60%	2014	2044	600,000	-	600,000
8 Total debentures				1,700,000	-	1,700,000
9						
10 Promissory notes				-	-	-
11 Less:						
12 Sinking funds				(257,000)	-	(257,000)
13 Non-regulated debt pool				(8,187)	-	(8,187)
14 Unamortized debt discount and financing				(1,235)	-	(1,235)
15						
16 Total debt				<u>1,433,578</u>	<u>-</u>	<u>1,433,578</u>
17						
18 Average debt				<u>1,316,766</u>	<u>-</u>	<u>1,316,766</u>
19						
20				Test year	Adjustments	Rate Setting
21				2015	2015	2015
22 Embedded cost of debt						
23 Long-term debt				95,325	-	95,325
24 Accretion of long-term debt				495	-	495
25 Amortization of foreign exchange losses				2,157	-	2,157
26 Debt guarantee fee				4,447	(2,560)	1,887
27 Other interest				(1,230)	-	(1,230)
28 Interest on sinking fund				(13,413)	-	(13,413)
29				<u>87,781</u>	<u>(2,560)</u>	<u>85,221</u>
30						
31 Embedded cost of debt				<u>6.67%</u>	<u>-0.19%</u>	<u>6.47%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Capital Structure (\$000s)

	Test year 2015	Prud. Adjust 2015	Fuel Adjust. 2015	GRA Adjust. 2015	Revenue Def. 2015
1 Regulated capital structure					
2 Long-term debt	1,649,544				1,649,544
3 Promissory notes	-				-
4 Promissory notes - related party	-				-
5 less: sinking funds	(238,850)				(238,850)
6 add: mark to market of sinking funds	31,071				31,071
7	<u>1,441,765</u>	-	-	-	<u>1,441,765</u>
8 Cost of service exclusions	-				-
9 Non-regulated debt pool	(8,187)				(8,187)
10 Net regulated debt	<u>1,433,578</u>	-	-	-	<u>1,433,578</u>
11 Asset retirement obligation	25,526		-	(4,786)	20,740
12 less: unfunded asset retirement obligation	(12,169)		-	3,676	(8,493)
13 Employee future benefits	72,454				72,454
14 Contributed capital	100,000				100,000
15 Retained earnings cost of service exclusions	1,300	854	-	-	2,154
16 Retained earnings	295,119	(3,028)	(7,097)	(3,447)	281,547
17 Total	<u><u>1,915,808</u></u>	<u><u>(2,173)</u></u>	<u><u>(7,097)</u></u>	<u><u>(4,557)</u></u>	<u><u>1,901,981</u></u>
18					
19 Regulated capital structure (%)					
20 Debt	74.8%				75.4%
21 Asset retirement obligation	0.7%				0.6%
22 Employee future benefits	3.8%				3.8%
23 Equity	20.7%				20.2%
24 Total	<u>100.0%</u>				<u>100.0%</u>
25					
26 Regulated average capital structure (%)					
27 Debt	74.8%				74.3%
28 Asset retirement obligation	0.7%				0.6%
29 Employee future benefits	3.8%				3.9%
30 Equity	20.69%				21.12%
31 Total	<u>100.0%</u>				<u>100.0%</u>
32					
33 Weighted average cost of capital (WACC)					
34 Embedded cost of debt	6.67%	0.00%	0.00%	-0.19%	6.47%
35 Asset retirement obligation	0.00%	0.00%	0.00%	0.00%	0.00%
36 Employee future benefits	0.00%	0.00%	0.00%	0.00%	0.00%
37 Equity	8.80%	0.00%	0.00%	0.00%	8.80%
38 WACC	<u>6.81%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>6.67%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Statement of Income and Retained Earnings (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> 2016	<u>Fuel Adjust.</u> 2016	<u>GRA Adjust.</u> 2016	<u>Revenue Def.</u> 2016
1 Revenue					
2 Energy sales	659,967	(2,119)	(105,625)	(10,349)	541,874
3 Revenue deficiency	-				-
4 Other revenue	2,508				2,508
5 Total revenue	<u>662,475</u>	<u>(2,119)</u>	<u>(105,625)</u>	<u>(10,349)</u>	<u>544,382</u>
6					
7 Expenses					
8 Operating expenses	138,179	(41)	-	(6,788)	131,350
9 Other Income and expense	4,074		-		4,074
10 Fuels	269,811	(284)	(103,581)	(1,707)	164,239
11 Power purchases	63,254		(427)		62,827
12 Amortization	63,792	(135)	-	(427)	63,230
13 Accretion of asset retirement obligation	878		-	(130)	748
14 Interest	89,255		-	(2,560)	86,695
15 Total expenses	<u>629,243</u>	<u>(461)</u>	<u>(104,008)</u>	<u>(11,612)</u>	<u>513,162</u>
16					
17 Net income	<u>33,232</u>	<u>(1,658)</u>	<u>(1,617)</u>	<u>1,263</u>	<u>31,220</u>
18					
19 Retained earnings					
20 Balance at beginning of year	261,887	(1,370)	-	(961)	259,556
21 Opening adjustment - retained earnings	-				-
22 Dividends	-				-
23 Balance at end of year	<u>295,119</u>	<u>(3,028)</u>	<u>(1,617)</u>	<u>302</u>	<u>290,776</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Rate of Return on Rate Base (\$000s)

	<u>Test year</u> 2015	<u>Prud. Adjust</u> 2016	<u>Fuel Adjust.</u> 2016	<u>GRA Adjust.</u> 2016	<u>Revenue Def.</u> 2016
1 Property, plant, and equipment	1,889,482	(6,599)			1,882,883
2 add: accumulated depreciation	203,834	167			204,001
3 add: contributions in aid of construction	17,936				17,936
5 less: work in progress	<u>(240,977)</u>				<u>(240,977)</u>
6 Capital assets in service	1,870,275	(6,432)			1,863,843
7 less: asset retirement obligation	(12,169)				(12,169)
8 less: contributions in aid of construction	(17,936)				(17,936)
9 less: accumulated depreciation	<u>(203,834)</u>				<u>(203,834)</u>
10 Capital assets - current year	1,636,336	(6,432)	-	-	1,629,904
11 Capital assets - previous year	<u>1,615,796</u>	<u>(5,359)</u>	-	-	<u>1,610,437</u>
12 Unadjusted capital assets - average	1,626,066	(5,896)	-	-	1,620,170
13 less: Average net assets not in use	<u>(2,605)</u>	<u>(4,713)</u>			<u>(7,318)</u>
14 Capital assets - average	1,623,461	(10,609)	-	-	1,612,852
15					
16 Cash working capital allowance	7,037				7,037
17 Fuel	66,633		(24,469)	-	42,164
18 Materials and supplies	27,402				27,402
19 Deferred charges	77,491	3289	-	36,467	117,247
20 less: Deferred Charges not in use		(4,467)			(4,467)
21					
22 Average rate base	<u>1,802,024</u>	<u>(11,786)</u>	<u>(24,469)</u>	<u>36,467</u>	<u>1,802,235</u>
23					
24 Unadjusted return on regulated equity	33,232	(1,658)	(1,617)	1,263	31,220
25 add: Cost of service exclusions	323	854	-	-	1,177
26 Interest	<u>89,255</u>	-	-	<u>(2,560)</u>	<u>86,695</u>
27 Return on rate base	<u>122,810</u>	<u>(804)</u>	<u>(1,617)</u>	<u>(1,297)</u>	<u>119,092</u>
28					
29 Rate of return on rate base	<u>6.82%</u>				<u>6.61%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Forecast Average Cost of Debt (\$000s)

Series	Interest Rate	Year of Issue	Year of Maturity	Test Year 2015	Adjustments	Rate Setting 2015
1 Series V	10.50%	1989	2014	-	-	-
2 Series X	10.25%	1992	2017	150,000	-	150,000
3 Series Y	8.40%	1996	2026	300,000	-	300,000
4 Series AB	6.65%	2001	2031	300,000	-	300,000
5 Series AD	5.70%	2003	2033	125,000	-	125,000
6 Series AE	4.30%	2006	2016	225,000	-	225,000
7 Series AF	3.60%	2014	2044	600,000	-	600,000
8 Total debentures				1,700,000	-	1,700,000
9						
10 Promissory notes				-	-	-
11 Less:						
12 Sinking funds				(257,000)	-	(257,000)
13 Non-regulated debt pool				(8,187)	-	(8,187)
14 Unamortized debt discount and financing				(1,235)	-	(1,235)
15						
16 Total debt				<u>1,433,578</u>	<u>-</u>	<u>1,433,578</u>
17						
18 Average debt				<u>1,316,766</u>	<u>-</u>	<u>1,316,766</u>
19						
20				Test year	Adjustments	Rate Setting
21				2015	2015	2015
22 Embedded cost of debt						
23 Long-term debt				95,325	-	95,325
24 Accretion of long-term debt				495	-	495
25 Amortization of foreign exchange losses				2,157	-	2,157
26 Debt guarantee fee				4,447	(2,560)	1,887
27 Other interest				(1,230)	-	(1,230)
28 Interest on sinking fund				(13,413)	-	(13,413)
29				<u>87,781</u>	<u>(2,560)</u>	<u>85,221</u>
30						
31 Embedded cost of debt				<u>6.67%</u>	<u>-0.19%</u>	<u>6.47%</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Financial Results and Forecasts
Capital Structure (\$000s)

	Test year 2015	Prud. Adjust 2016	Fuel Adjust. 2016	GRA Adjust. 2016	Revenue Def. 2016
1 Regulated capital structure					
2 Long-term debt	1,649,544				1,649,544
3 Promissory notes	-				-
4 Promissory notes - related party	-				-
5 less: sinking funds	(238,850)				(238,850)
6 add: mark to market of sinking funds	31,071				31,071
7	1,441,765	-	-	-	1,441,765
8 Cost of service exclusions	-				-
9 Non-regulated debt pool	(8,187)				(8,187)
10 Net regulated debt	1,433,578	-	-	-	1,433,578
11 Asset retirement obligation	25,526		-	(4,786)	20,740
12 less: unfunded asset retirement obligation	(12,169)		-	3,676	(8,493)
13 Employee future benefits	72,454				72,454
14 Contributed capital	100,000				100,000
15 Retained earnings cost of service exclusions	1,300	854	-	-	2,154
16 Retained earnings	295,119	(3,028)	(1,617)	302	290,776
17 Total	1,915,808	(2,174)	(1,617)	(808)	1,911,209
18					
19 Regulated capital structure (%)					
20 Debt	74.8%				75.0%
21 Asset retirement obligation	0.7%				0.6%
22 Employee future benefits	3.8%				3.8%
23 Equity	20.7%				20.6%
24 Total	100.0%				100.0%
25					
26 Regulated average capital structure (%)					
27 Debt	74.8%				74.1%
28 Asset retirement obligation	0.7%				0.6%
29 Employee future benefits	3.8%				3.9%
30 Equity	20.69%				21.31%
31 Total	100.0%				100.0%
32					
33 Weighted average cost of capital (WACC)					
34 Embedded cost of debt	6.67%	0.00%	0.00%	-0.19%	6.47%
35 Asset retirement obligation	0.00%	0.00%	0.00%	0.00%	0.00%
36 Employee future benefits	0.00%	0.00%	0.00%	0.00%	0.00%
37 Equity	8.80%	0.00%	0.00%	-0.30%	8.50%
38 WACC	6.81%				6.61%

NEWFOUNDLAND AND LABRADOR HYDRO
Excess Earnings Account

Definition of Excess Earnings Account

This account shall be credited with excess earnings in the event the following formula is greater than zero:

$$A - (B \times C)$$

Where:

- A = Actual return on rate base, calculated as net interest expense, plus net income, plus cost of service exclusions
- B = Actual average rate base, December 31
- C = Upper limit of return on rate base, defined as Test Year Return on Rate Base + 20 basis points

The disposition of any balance in the account to be determined by the Board.

The upper limit return on rate base for the 2014, 2015, 2016 and subsequent years are presented in the following table.

	2014	2015	2016 & Subsequent Years
Approved Return on Rate Base	7.18%	6.67%	6.61%
Upper Limit Range	0.20%	0.20%	0.20%
Upper Limit Return on Rate Base	7.38%	6.87%	6.81%

Exhibit 3
GRA Compliance Report -
Recovery of Revenue Deficiencies

Newfoundland and Labrador Hydro

January 2017

Table of Contents

1.0 Introduction 1

2.0 Rate Stabilization Plan Operation 2

 2.1 General 2

 2.2 2014 Revenue Deficiency - RSP Impact 3

 2.3 2015 and 2016 Financial Results – RSP Impact 5

3.0 Revenue Deficiency 10

 3.1 General 10

 3.2 2014 Revenue Deficiency 11

 3.2.1 Computation of 2014 Revenue Deficiency 11

 3.3 2015 Revenue Deficiency 14

 3.3.1 Computation of 2015 Revenue Deficiency 14

 3.4 2016 Revenue Deficiency 16

 3.4.1 Allocation of 2016 Excess Base Revenues 16

 3.5 2017 Revenue Deficiency 18

 3.6 Summary of Revenue Deficiencies 19

4.0 Proposed Recovery of Revenue Deficiencies 20

 4.1 General 20

 4.2 RSP Credit Balances 20

5.0 Conclusion 25

1 **1.0 Introduction**

2 In Order Nos. P.U. 58(2014) and P.U. 36(2015), the Board of Commissioners of Public
3 Utilities (the Board) approved Newfoundland and Labrador Hydro's (Hydro) request for the
4 deferral of revenue deficiencies for 2014 and 2015 in the amount of \$45.9 million and \$30.2
5 million, respectively, with recovery of those amounts to be determined by the Board at a
6 later date. In Order No. P.U. 49(2016) (the GRA Order), the Board determined that Hydro is
7 permitted recovery with respect to the 2014 and 2015 revenue deficiencies reflecting the
8 findings of the Board.¹ The Board directed Hydro to file a proposal for the recovery of the
9 2014 and 2015 revenue deficiencies, including the 2014 additional supply cost deferral,
10 reflecting the Board's findings in the GRA Order.² The Board also recognized that delayed
11 implementation of customer rates beyond January 1, 2016 may contribute to a further
12 revenue deficiency in 2016 and directed Hydro to reflect any deficiency for 2016 in its
13 proposals.³

14
15 Determining the total revenue deficiency for each year requires a comparison of Hydro's
16 revenues based on forecast load for each Test Year with the revised revenue requirements
17 reflecting the GRA Order. To determine the revenue deficiency by customer class, Hydro has
18 completed Cost of Service studies reflecting the Board's decisions in the GRA Order. This
19 permits Hydro to use a cost-based approach, consistent with that approved by the Board,⁴
20 in determining revenue deficiency responsibility by customer class.

21
22 In Hydro's Amended General Rate Application (the Amended GRA), Hydro proposed to use
23 the Rate Stabilization Plan (RSP) credit balances to provide recovery of its revenue
24 deficiencies.⁵ To assist the Board in assessing the use of RSP credit balances for recovery of

¹ Order No. P.U. 49(2016), for the Board's findings on the 2014 revenue deficiency, please refer to pages 75–83. For the Board's findings on the 2015 revenue deficiency, please refer to pages 84–86.

² *Ibid.*, page 82.

³ *Ibid.*, page 129.

⁴ Hydro's current cost of service methodology was approved by the Board in 1993.

⁵ Amended GRA, Vol. I., page 4.18.

1 the revenue deficiencies, the GRA Order requires Hydro to file: (i) a revised calculation of
2 revenue deficiencies; (ii) a revised calculation of the available balances in the RSP; and (iii) a
3 proposed plan for the recovery of the revenue deficiencies, including the 2014 capacity-
4 related supply cost deferral, including a description of customer rate impacts. The GRA
5 Order also requires Hydro to include various approaches in terms of the impact of the use
6 of the RSP balances and rate riders presenting the impacts of the use 25%, 50%, 75%, and
7 100% of the available RSP credit balances to offset the revenue deficiencies.⁶

8
9 This report provides Hydro's: (i) explanation of the impact of the RSP on the 2014, 2015 and
10 2016 revenue deficiencies; (ii) revenue deficiency calculation for 2014, 2015, 2016, and
11 2017; (iii) proposed allocation of the revenue deficiencies by customer class for customers
12 currently billed on interim rates; and (iv) proposal with respect to recovery of the
13 deficiencies from customers. The delay in implementation of final customer rates until at
14 least April 1, 2017, requires a review of the reasonableness of the customer rates for the
15 early months of 2017. As such, this report also provides a review of potential revenue
16 deficiencies for 2017.

17 18 **2.0 Rate Stabilization Plan Operation**

19 **2.1 General**

20 Hydro's 2014 Test Year forecast reflected the continued operation of the RSP using the
21 2007 Test Year and was based on the assumption that the actual RSP balances at the end of
22 2014 would be disposed of through the normal operation of the RSP. In this circumstance,
23 variances in fuel costs and revenues that flow through the RSP from those costs and
24 revenues assumed in the 2014 Test Year do not impact Hydro's net income for 2014.

25
26 Hydro's 2015 Test Year forecast was based on the assumption that new customer rates
27 would be in effect for 2015 and that the RSP would operate reflecting the 2015 Test Year

⁶ Order No. P.U.49(2016), page 130, lines 20-26.

1 load forecast, hydraulic forecast, and other test year inputs. New interim base rates were
2 approved for Newfoundland Power and Island Industrial Customers in July 2015.⁷ The
3 implementation of new base rates only impacted the rates used in the RSP load variation
4 component calculations and resulted in the discontinuance of the Rural Rate Alteration
5 credits back to Newfoundland Power resulting from increased Hydro Rural revenues since
6 the 2007 Test Year.⁸ The other components of the RSP continued to operate based on the
7 2007 Test Year inputs for the years 2015 and 2016. As a result, Hydro's recorded fuel costs
8 for 2015 and 2016 reflected the 2007 Test Year inputs and resulted in Hydro recording
9 higher fuel costs in those years, which materially reduced net income for 2015 and 2016.
10 The impact on net income in 2015 and 2016 using the RSP based on the 2007 Test Year will
11 reverse in 2017 when the RSP is updated to reflect the 2015 Test Year.

12
13 The impact of the operation of the RSP using the 2007 Test Year on Hydro's financial results
14 for 2014 is provided in section 2.2 of this report. The impact of the operation of the RSP
15 using the 2007 Test Year on Hydro's financial results for 2015 and 2016 is provided in
16 Section 2.3 of this report.

18 **2.2 2014 Revenue Deficiency - RSP Impact**

19 In the GRA Order, the Board stated that:

20 *No adjustment was proposed to reflect actual fuel costs or the actual*
21 *operation of the RSP for 2014. The Board believes that, for the purpose of*
22 *the calculation of the 2014 revenue deficiency, the forecast No. 6 fuel*
23 *costs should be adjusted to reflect the actual operation of the RSP in 2014*
24 *and the pass through of No. 6 fuel costs.*⁹

⁷ Board Order Nos. P.U. 17(2015), P.U. 19(2015) and P.U. 21(2015).

⁸ The Rural Rate Adjustment credits changes in revenues resulting from changes in Hydro's Rural rates between test years into the Newfoundland Power RSP. The establishment of the new base rate in 2015 would discontinue this transfer.

⁹ Order No. P.U.49(2016), pages 80-81.

1 As a result, the Board directed Hydro to file revised proposals to reflect the use of the actual
2 No. 6 fuel costs in the 2014 Test Year revenue requirement for the purpose of calculating
3 the 2014 revenue deficiency.¹⁰

4
5 Hydro's net income for 2014 was determined based on fuel costs reflecting the 2007 Test
6 Year fuel cost and the 2007 load forecast used in the RSP. The actual cost of No. 6 fuel in
7 2014 was different from the forecast fuel cost due to price and load variations. These
8 differences do not impact Hydro's forecast net income in 2014 because the difference
9 between the actual No.6 fuel cost in 2014 and the forecast fuel cost in the 2014 Test Year
10 has already been reflected in the 2014 year-end RSP balances. In other words, the fuel cost
11 differences resulting from load and fuel price variances, while not reflected in the 2014 Test
12 Year, were reflected in the 2014 year-end RSP balances used for the dispositions made to
13 customers when RSP rate adjustments were updated. This occurred July 1, 2015 for
14 Newfoundland Power.

15
16 The update of the RSP recovery adjustment factor for Island Industrial Customers has been
17 temporarily suspended. Therefore, balances resulting from fuel cost variances are reflected
18 in the RSP current balance for Island Industrial Customers and have already been recovered
19 from customers.¹¹

20
21 Modifying the 2014 Test Year to reflect actual No. 6 fuel costs in 2014, within the context of
22 the RSP, would result in a misrepresentation of the revenue deficiency as this cost
23 difference has already been dealt with through the 2014 RSP balance disposition in 2015.
24 Also, there is no impact on the 2014 revenue deficiency resulting from the Board's approval

¹⁰ Ibid., page 81. The Board specifically requested the No. 6 fuel costs included in the 2014 Test Year for purposes of calculating the 2014 revenue deficiency be adjusted to reflect the actual 2014 No. 6 fuel price, the actual thermal energy generated at Holyrood, and the forecast Holyrood conversion factor of 588 kWh/bbl.

¹¹ In Order No. P.U. 17(2015), the Board approved a transfer from the IC RSP Surplus to fund the full amount of the 2014 year-end IC RSP current balance.

1 of a 588 kWh per barrel fuel conversion for 2014 because that conversion rate was used in
2 the forecast 2014 Test Year.

3

4 Therefore, it would be inappropriate to reflect actual No. 6 fuel costs to determine the
5 revenue deficiency for 2014 as the variances between forecast No. 6 fuel costs reflected in
6 the 2014 Test Year and the 2014 actuals have already been disposed of through the
7 operation of the RSP. As such, Hydro proposes that, for the purposes of calculating the 2014
8 revenue deficiency, no adjustments be made to reflect actual No.6 fuel costs for 2014.

9

10 **2.3 2015 and 2016 Financial Results – RSP Impact**

11 As the 2015 Test Year will not be approved until Hydro’s GRA Compliance Application is
12 approved by the Board, the operation of the RSP during 2015 and 2016 reflects RSP
13 adjustments based on the 2007 Test Year. As a result, the recorded fuel cost variances
14 resulting from the operation of the RSP in 2015 and 2016 do not reflect the fuel cost
15 variances that would be recorded relative to the forecast fuel costs included in the 2015
16 Test Year. The differences in the RSP balances as a result of using the 2007 Test Year inputs
17 compared to the 2015 Test Year inputs relate to the differences in the Test Year forecasts of
18 customer load, hydraulic production, the interest rate applied to RSP balances, and, in 2015,
19 the continuation of the Rural Rate Adjustments that would be discontinued with the
20 implementation of a new Test Year in 2015.

21

22 Hydro’s fuel expense is recorded based on the approved Test Year fuel price. Variances
23 from the Test Year fuel price flows through the RSP to be recorded on Hydro’s balance
24 sheet for disposition to customers. Cost variances as a result of changes in the purchase
25 price of No. 6 fuel do not impact Hydro’s net income.

1 The RSP operated for 2015 and 2016 based on the 2007 Test Year fuel price of \$55.40¹² per
2 barrel. Fuel cost variances from the 2007 Test Year fuel purchase price (\$55.40 per barrel)
3 have been reflected in the retail customer rate changes that occurred on July 1, 2015 and
4 July 1, 2016.¹³

5

6 Newfoundland Power customer rates have been adjusted to reflect the actual fuel price in
7 2015 and 2016 through the fuel rider and the impact of fuel price variance in the RSP
8 recovery factor, which is updated annually. Similarly, the current balance in the Island
9 Industrial Customer RSP balance reflects the fuel price variances from \$55.40 per barrel for
10 2015 and 2016.

11

12 The approved increase in the 2015 Test Year price to \$64.41 per barrel is not relevant for
13 updating the RSP balances for 2015 and 2016. The use of \$64.41 per barrel in updating the
14 RSP for each year results in creating RSP balances owing to customers that reflect fuel costs
15 that did not occur. In order to fully reflect \$64.41 per barrel on a historical basis in the RSP,
16 Hydro would be required to retroactively determine what rates should have been in place
17 for 2015 and 2016 using the different fuel price. This approach would not be consistent with
18 rate-setting on a prospective basis. To achieve the desired result in reflecting the 2015 Test
19 Year in the RSP update, Hydro updated the RSP to reflect the 2015 Test Year forecast for all
20 components except fuel price.

21

22 Hydro has used the approved \$64.41 per barrel in the 2015 Test Year for rate-setting
23 purposes and will also use the approved \$64.41 per barrel operation of the RSP beginning in
24 2017.¹⁴

¹² The No. 6 Fuel Price throughout this document is in Canadian dollars, unless otherwise specified.

¹³ Order No. P.U. 17(2015) approved the RSP rate update to Newfoundland Power for 2015. Order No. P.U. 21(2016) approved the RSP rate update to Newfoundland Power for 2016.

¹⁴ Order No. P.U.49(2016), pages 28-29.

1 Exhibits 6 and 7 to the GRA Compliance Application provide the RSP Reports for December
 2 2015 based on the 2007 Test Year and the 2015 Test Year, respectively. Table 1 provides a
 3 comparison of the RSP balances at year-end of 2015 using both the 2007 Test Year and the
 4 2015 Test Year for operation of the RSP.

Table 1
2015 RSP Balance Change due to Change in Test Years (\$000s)

	2007 Test Year	2015 Test Year	Difference
Current Plan Summary			
One year recovery			
Due (to) from Utility Customer	(70,887)	(60,639)	10,248
Due (to) from Industrial Customers	474	703	229
Sub Total	(70,413)	(59,936)	10,477
Four year recovery			
Hydraulic balance	(56,458)	(47,862)	8,596
Segregated Load Variation			
Utility Customer	(2,473)	(41,417)	(38,944)
Industrial Customers	(58,725)	(2,521)	56,203
Sub Total	(61,197)	(43,938)	17,259
Utility Surplus	(133,351)	(132,285)	1,066
Industrial RSP Surplus	(3,130)	(3,054)	76
Total Plan Balance	(324,548)	(287,075)	37,473

5 Table 1 shows a change in the 2015 RSP credit balance of \$37.5 million as a result of
 6 updating the RSP to reflect the 2015 Test Year. As discussed, the \$37.5 million was recorded
 7 as a fuel cost in 2015 and will reverse in 2017 when the 2015 RSP is updated to reflect the
 8 2015 Test Year.

1 Exhibits 8 and 9 to the GRA Compliance Application provide the RSP Reports for December
 2 2016 based on the 2007 Test Year and the 2015 Test Year, respectively.
 3
 4 Table 2 provides a comparison of the RSP balances at year-end 2016 using both the 2007
 5 Test Year and the 2015 Test Year for operation of the RSP.

Table 2
2016 RSP Balance Change due to Change in Test Years (\$000s)

	2007 Test Year	2015 Test Year	Difference
Current Plan Summary			
One year recovery			
Due (to) from Utility Customer	1,910	9,975	8,065
Due (to) from Industrial Customers	(3,052)	(2,521)	531
Sub Total	(1,142)	7,454	8,596
Four year recovery			
Hydraulic balance	19,439	26,454	7,015
Segregated Load Variation			
Utility Customer	(6,856)	(7,452)	(596)
Industrial Customers	(23,224)	(588)	22,636
Sub Total	(30,080)	(8,040)	22,040
Utility Surplus	(10,040)	(8,744)	1,296
Industrial RSP Surplus	2,741	2,763	22
Total Plan Balance	(19,081)	19,887	38,969

6 Table 2 shows a change in the balance related to 2016 activity of \$39.0 million as a result of
 7 updating the RSP to reflect the 2015 Test Year. As discussed, the \$39.0 million was recorded
 8 as a fuel cost in 2015 and will reverse in 2017 when the 2015 RSP is updated to reflect the
 9 2015 Test Year.

1 Table 3 provides the cumulative impact of updating the RSP balance to reflect the 2015 Test
2 Year.

Table 3
RSP Balance at December 31, 2016 (\$000s)

	2007 Test Year	2015 Test Year	Difference
Current Plan Summary			
One year recovery			
Due (to) from Utility Customer	(68,977)	(50,665)	18,312
Due (to) from Industrial Customers	(2,578)	(1,818)	760
Sub Total	(71,555)	(52,482)	19,073
Four year recovery			
Hydraulic balance	(37,018)	(21,407)	15,611
Segregated Load Variation			
Utility Customer	(9,328)	(48,868)	(39,540)
Industrial Customers	(81,949)	(3,110)	78,839
Sub Total	(91,277)	(51,978)	39,299
Utility Surplus	(143,390)	(141,029)	2,361
Industrial RSP Surplus	(389)	(291)	98
Total Plan Balance	(343,630)	(267,188)	76,442

3 Table 3 shows a reduction of \$76.4 million in the credit balance for the 2015 Test Year
4 relative to the 2007 Test Year as of December 31, 2016. The total impact of continued
5 operation of the RSP using the 2007 Test Year was a decreased contribution to net income
6 from electricity sales of approximately \$37.5 million in 2015 and \$39.0 million in 2016.
7
8 The net income impacts of using the 2007 Test Year for operation of the RSP in 2015 and
9 2016 had material impacts on Hydro's recorded fuel cost. However, with the updating of
10 the 2015 and 2016 RSP in 2017 to reflect the 2015 Test Year, these net income impacts will

1 reverse. Therefore, no amount related to operating the RSP in 2015 and 2016 using 2007
2 Test Year inputs is reflected in the 2015 and 2016 revenue deficiency to be allocated for
3 recovery from customers.¹⁵ The proposals to provide recovery of revenue deficiencies are
4 provided in Section 4.0 of this report.

5

6 **3.0 Revenue Deficiency**

7 **3.1 General**

8 Currently, interim rates are in place for Newfoundland Power, the Island Industrial
9 Customers and Hydro Rural customers.¹⁶ For these customer classes, Hydro will allocate the
10 revenue deficiencies for each of 2014, 2015, 2016, and for the period of 2017 that existing
11 interim rates remain in effect.

12

13 Rates for Hydro's Rural customers on the Labrador Interconnected System are final.¹⁷ In the
14 GRA Order, Hydro's proposed interim Labrador Industrial Transmission Rate, implemented
15 on an interim basis effective January 1, 2015, was approved on a final basis for existing
16 customers.¹⁸ As the rates for these customers on the Labrador Interconnected system are
17 final, Hydro will not be proposing a recovery of revenue deficiencies from these
18 customers.¹⁹

19

20 This section of the report provides the results of Hydro's revenue deficiency calculation for
21 2014, 2015, 2016, and 2017, and Hydro's proposed allocation of the revenue deficiencies by
22 customer class for customers currently billed on interim rates.

¹⁵ Ibid., page 129, the Board noted the RSP balances must be adjusted to reflect the Board's findings with respect to the 2015 Test Year.

¹⁶ Interim rates for Newfoundland Power and Government diesel customers were approved in Order No. P.U. 17(2015). Interim rates for Island Industrial Customer were approved in Order No. P.U. 21(2015).

¹⁷ These rates were approved as final in Order No. P.U. 33(2010) and have not been made interim.

¹⁸ Order No. P.U.49(2016), page 110.

¹⁹ Because Labrador Interconnected rates are final for 2014, 2015 and 2016, the revenue deficiency of \$38,112,000 identified in Exhibit 2 will differ from the revenue deficiency computed in this report for 2014 by approximately \$600,000.

1 **3.2 2014 Revenue Deficiency**

2 **3.2.1 Computation of 2014 Revenue Deficiency**

3 Hydro's revised 2014 Test Year revenue requirement for use in the calculation of the 2014
4 revenue deficiency reflecting the Board's decisions in the GRA Order is provided in Exhibit 2,
5 Appendix B to the GRA Compliance Application.

6
7 In addition to directing Hydro to revise its 2014 Test Year revenue requirement for the 2014
8 revenue deficiency, the also Board directed Hydro to file a proposal for the recovery of
9 2014 additional capacity-related supply costs not associated with imprudence.²⁰ Hydro had
10 initially proposed to recover these costs over a five-year period beginning in 2015. However,
11 given the Board's comments in the GRA Order that the additional supply costs incurred in
12 2014 relate to the provision of service in 2014 and provide no long-term value beyond
13 2014,²¹ Hydro proposes to include the 2014 additional capacity-related supply costs
14 approved for recovery by the Board in its 2014 revenue deficiency calculation.

15
16 To calculate revenue deficiency by customer class for 2014 requires Hydro to complete a
17 Cost of Service Study for the revised 2014 Test Year revenue requirement reflecting the GRA
18 Order. This approach permits Hydro to use a cost-based approach in determining revenue
19 deficiency responsibility by customer class, consistent with the cost allocation method
20 approved by the Board.

21
22 The revised 2014 Test Year Cost of Service for 2014 revenue deficiency was prepared in
23 accordance with the approved Cost of Service Methodology reflecting the Board's decisions
24 in the GRA Order as a basis for determining the 2014 cost responsibility by customer class.
25 Hydro has classified the capacity-related supply costs included in the 2014 revenue
26 deficiency as demand-related costs in its revised 2014 Test Year Cost of Service Study.

²⁰ Ibid., page 82.

²¹ Ibid.

1 The costs allocated by class compared to the forecast 2014 Test Year revenues were used to
 2 determine the 2014 revenue deficiency by system and by class of service. Exhibit 10 to the
 3 GRA Compliance Application provides the revised 2014 Test Year Cost of Service Study.²²

4

5 Table 4 provides a summary of the 2014 Test Year revenues resulting from rates in effect for
 6 2014 compared to the revised allocated 2014 Test Year costs by customer group.

Table 4
2014 Revenues vs. Costs (\$000s)

Customer Group	2014 Revenues²³ (A)	2014 TY Costs²⁴ (B)	Difference (A)-(B)	Revenue to Cost Ratio
Newfoundland Power	483,433	460,577	22,856	1.05
Island Industrial Customers	26,833	30,093	(3,260)	0.89
Labrador Interconnected	19,730	16,971	2,759	1.16
Other Hydro Rural²⁵	66,455	126,922	(60,467)	0.52
Labrador Industrial Transmission Customers	1,932	1,932	0	1.00
Total	598,383	636,495	(38,112)	0.94

7 To determine the 2014 revenue deficiency for Newfoundland Power first requires that the
 8 Rural Deficit be allocated between Labrador Interconnected customers and Newfoundland
 9 Power. The Island Industrial Customers are not allocated a portion of the Rural Deficit.²⁶

10 Table 5 provides an allocation of the 2014 Rural Deficit based upon the 2014 Test Year
 11 revenue deficiency revenue requirement from rates for Newfoundland Power and Labrador

²² The revised 2014 Test Year Cost of Service Study was completed using the methodology as approved for the 2014 Test Year in the GRA Order.

²³ Exhibit 10, 2014 Test Year Cost of Service, Schedule 1.2, page 1 of 6, Column 2.

²⁴ Exhibit 10, 2014 Test Year Cost of Service, Schedule 1.2, page 1 of 6, Column 3.

²⁵ Includes the effects of CFB Goose Bay Secondary for which the 2014 revenue credit of \$743,000 is used to reduce the Rural Deficit.

²⁶ This is in accordance with Order in Council OC2003-347 which directs that the rural deficit is to be paid by Newfoundland Power customers and Hydro's Labrador Interconnected customers and explicitly excludes Island industrial Customers.

1 Interconnected customers. As indicated in Table 5, for the 2014 Test Year, the
 2 Newfoundland Power revenue requirement for use in determining revenue deficiency is
 3 \$518,895,000.

**Table 5
 2014 Rural Deficit Allocation (\$000s)**

Customer Group	2014 TY Costs Excl. Deficit (A)	Rural Deficit Allocation (B)	Total 2014 TY Costs Incl. Deficit C=(A) + (B)	Revenue to Cost Ratio
Newfoundland Power	460,577	58,318	518,895	1.13
Labrador Interconnected	16,971	2,149	19,120	1.13
Total	477,548	60,467²⁷	538,015	

4 Table 6 provides a calculation of the 2014 revenue deficiency to be recovered from
 5 Newfoundland Power and the Island Industrial Customers.²⁸ The amounts equal the
 6 difference between 2014 Test Year revenues from rates and the revised 2014 Test Year
 7 costs.²⁹

**Table 6
 2014 Revenue Deficiency Allocation (\$000s)**

Customer Group	2014 Revenues (A)	2014 TY Costs (B)	Difference (A)-(B)
Newfoundland Power	483,433	518,895	(35,462)
Island Industrial Customers	26,833	30,093	(3,260)

²⁷ Exhibit 10, 2014 Test Year Cost of Service, Schedule 1.2, Page 1 of 6, column 5. This amount includes the revenue credit from CFB Secondary Sales.

²⁸ No portion of the 2014 revenue deficiency is assumed for recovery from Hydro's Rural customer classes that contribute to the Rural Deficit. Additional revenue recovery from these Hydro Rural customer classes effectively reduce the Rural Deficit to be recovered from Newfoundland Power.

²⁹ For Newfoundland Power, the 2014 Test Year costs include the Rural Deficit.

1 The revised 2014 Test Year Cost of Service Study shows a 2014 revenue deficiency of
2 \$35,462,000 to be recovered from Newfoundland Power and \$3,260,000 to be recovered
3 Island Industrial Customers.

4

5 **3.3 2015 Revenue Deficiency**

6 **3.3.1 Computation of 2015 Revenue Deficiency**

7 Hydro's revised 2015 Test Year revenue requirement for use in the calculation of the 2015
8 revenue deficiency reflecting the Board's decisions in the GRA Order is provided in Exhibit 2,
9 Appendix C to the GRA Compliance Application.

10

11 As indicated earlier, Hydro has updated its RSP balances for 2015 and 2016 to reflect the
12 2015 Test Year using a No. 6 fuel price of \$55.40 per barrel. To be consistent with the
13 operation of the RSP for 2015 and 2016, the No. 6 fuel price of \$55.40 per barrel was also
14 used to determine revenue requirement for computing revenue deficiency for 2015 and
15 2016.

16

17 Table 7 provides a summary by customer group of the 2015 Test Year revenues under rates
18 in effect for 2015 compared to the revised 2015 Test Year Cost of Service for use in
19 determining revenue deficiency.

Table 7
2015 Revenues vs. Costs (\$000s)

Customer Group	2015 Revenues ³⁰ (A)	2015 TY Costs ³¹ (B)	Difference (A)-(B)	Revenue to Cost Ratio
Newfoundland Power	429,323	364,016	65,307	1.18
Island Industrial Customers	32,182	32,595	(413)	0.99
Labrador Interconnected	20,093	17,528	2,565	1.15
Other Hydro Rural ³²	60,879	119,257	(58,378)	0.51
Labrador Industrial Transmission Customers	5,410	5,078	332	1.07
Total	547,887	538,474	9,413	1.02

- 1 Exhibit 11 to the GRA Compliance Application provides the 2015 Test Year Cost of Service
2 Study for determining 2015 revenue deficiency.³³
3
4 Table 8 provides an allocation of the Rural Deficit based upon the approved Rural Deficit
5 allocation methodology in the GRA Order.

Table 8
2015 Rural Deficit Allocation (\$000s)

Customer Group	2015 TY Costs Excl. Deficit (A)	Rural Deficit Allocation (B)	Total 2015 TY Costs Incl. Deficit C=(A) + (B)	Revenue to Cost Ratio
Newfoundland Power	364,016	55,696	419,712	1.15
Labrador Interconnected	17,528	2,682	20,210	1.15
Total	381,544	58,378³⁴	439,922	

³⁰ Exhibit 11, 2015 Test Year Cost of Service for 2015 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 2.

³¹ Exhibit 11, 2015 Test Year Cost of Service for 2015 Revenue Deficiency, Schedule 1.2 page 1 of 6, Column 3.

³² Includes the effects of CFB Goose Bay Secondary for which the 2015 revenue credit of \$912,600 is used to reduce the Rural Deficit.

³³ Exhibit 11, 2015 Test Year Cost of Service for 2015 Revenue Deficiency was completed using the methodology as approved for the 2015 Test Year.

1 Table 9 provides a calculation of the 2015 revenue deficiency to be recovered from each of
2 Newfoundland Power and the Island Industrial Customers. The amounts equal the
3 difference between 2015 revenues from rates and the revenue requirement for
4 determining the 2015 revenue deficiency.

Table 9
2015 Revenue Deficiency (\$000s)

Customer Group	2015 Revenues (A)	2015 TY Costs Revenue Deficiency (B)	Difference (A)-(B)
Newfoundland Power	429,323	419,712	9,611
Island Industrial Customers	32,182	32,595	(413)

5 The review of the interim rates revenues based on the 2015 Test Year load compared to the
6 revised 2015 Test Year Cost of Service Study for determining revenue deficiency show
7 revenues in excess of allocated costs of approximately \$9.6 million from Newfoundland
8 Power. Table 9 also shows a revenue deficiency in 2015 of \$413,000 from Island Industrial
9 Customers.

10

11 **3.4 2016 Revenue Deficiency**

12 **3.4.1 Allocation of 2016 Excess Base Revenues**

13 Hydro's 2015 Test Year revenue requirement for use in the calculation of the 2016 revenue
14 deficiency reflecting the Board's decisions in the GRA Order is provided in Exhibit 2,
15 Appendix D to the GRA Compliance Application.

16

17 To determine revenue deficiency for 2016, Hydro compared its revenues for 2016 based on
18 approved interim rates applied to the 2015 Test Year load forecast with the 2015 Test Year

³⁴ Exhibit 10 - 2014 Test Year Cost of Service, Schedule 1.2, page 1 of 6, column 5, line 14. This amount includes the revenue credit from CFB Secondary Sales.

1 revenue requirement for rates-setting reflecting the GRA Order, but adjusted to use \$55.40
 2 per barrel price of No. 6 fuel. Exhibit 12 to the GRA Compliance Application provides a
 3 revised 2015 Test Year Cost of Service Study for use in determining 2016 revenue
 4 deficiency.

5
 6 Table 10 provides a summary of the 2016 revenues under interim rates in effect for 2016
 7 based on the 2015 Test Year load forecast compared to the 2015 Test Year Cost of Service
 8 for rates setting by customer group.

Table 10
2016 Revenues vs. 2015 TY Costs (\$000s)
Based on 2015 TY Load Forecast

Customer Group	2016 Revenues ³⁵ (A)	2015 TY Costs ³⁶ (B)	Difference (A)-(B)	Revenue to Cost Ratio
Newfoundland Power	448,560	367,659	80,901	1.22
Island Industrial Customers	34,892	32,816	2,076	1.06
Labrador Interconnected	20,093	17,651	2,442	1.14
Other Hydro Rural³⁷	68,217	119,881	(51,664)	0.57
Labrador Industrial Transmission Customers	5,410	5,231	179	1.03
Total	577,172	543,238	33,934	1.06

9 Table 11 provides a comparison of 2016 revenues at interim rates and 2015 Test Year costs,
 10 including allocation of the Rural Deficit.

³⁵ Exhibit 12, 2015 Test Year Cost of Service for 2016 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 2.

³⁶ Exhibit 12, 2015 Test Year Cost of Service for 2016 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 3.

³⁷ Includes the effects of CFB Goose Bay Secondary for which the 2015 revenue credit of \$912,600 is used to reduce the Rural Deficit.

Table 11
2016 Revenues vs. 2015 TY Cost (\$000s)
(Based on 2015 TY Load)

Customer Group	2016 Revenues (A)	2015 TY Costs (B)	Excess (A)-(B)
Newfoundland Power	448,560	416,956	31,604
Island Industrial Customers	34,892	32,816	2,076

1 Table 11 shows the revenues from interim base rates for Newfoundland Power exceeded
 2 allocated costs by \$31.6 million in 2016. The excess revenues presented reflect Hydro
 3 updating the RSP to reflect the 2015 Test Year as described in Section 2. Table 11 also shows
 4 the revenues from interim base rates for Island Industrial Customers exceeded allocated
 5 costs by \$2.1 million in 2016.

6

7 **3.5 2017 Revenue Deficiency**

8 Due to the timing of the GRA Order, Hydro’s proposed final customer rates are not
 9 anticipated to be in effect until April 2017. On approval of new rates in 2017, the RSP will be
 10 updated to reflect the 2015 Test Year values including the \$64.41 per barrel No. 6 Test Year
 11 fuel price for all of 2017. Therefore, the assessment of 2017 revenue deficiency must be
 12 computed comparing revenues at interim rates against revenue requirement for rate-
 13 setting using the 2015 Test Year fuel price of \$64.41.

14

15 To determine the revenue deficiency for the first 3 months in 2017, Hydro compared the
 16 forecast revenues for the first quarter by applying both the proposed base rates in the GRA
 17 Compliance Application and the existing interim rates that will be in effect for the first
 18 quarter 2017.

19

20 Table 12 provides an estimate of the revenue deficiency by class for the first quarter of
 21 2017.

Table 12
2017 Revenue Deficiency Summary (\$000s)

Customer Group	Interim Base Rate Revenues at 2015 TY Load	Compliance Base Rate Revenues at 2015 TY Load	2017 Revenue Deficiency
Newfoundland Power	166,168	171,218	5,050
Island Industrial Customers	8,215	8,249	34

1 **3.6 Summary of Revenue Deficiencies**

2 Table 13 provides a summary of the revenue deficiencies for 2014, 2015, 2016, and 2017.

Table 13
Summary of Revenue Deficiencies for Setting Customer Rates (\$000s)

Customer Group	2014	2015	2016	2017	Total
Newfoundland Power	35,462	(9,611)	(31,604)	5,050	(703)
Island Industrial Customers	3,260	413	(2,076)	34	1,631

3 The revenues compared to allocated costs for 2015 and 2016 provided in Table 13 do not
 4 include the recovery of the \$38.8 million supply costs deferred in accordance with the
 5 supply cost deferral accounts approved in the GRA Order as Hydro is required to file a
 6 separate application for recovery of balances in these deferral accounts in accordance with
 7 the supply cost deferral account definitions.³⁸ The revenue deficiencies for setting customer
 8 rates included in Table 13 also do not include the net impacts³⁹ experienced by Hydro in
 9 2015 and 2016 as a result of operation of the RSP using the 2007 Test Year inputs.

10

11 As shown in Table 13, the billed base rate revenues to Newfoundland Power were in excess
 12 of the cumulative revenue deficiencies by \$703,000. There was a cumulative revenue

³⁸ Order No. P.U.49(2016) directed Hydro to file revised definitions for its proposed supply cost deferral accounts for approval in Hydro's GRA Compliance Application. As these definitions are not yet approved, Hydro cannot apply for recovery of the balances in those accounts at this time.

³⁹ Approximately \$76.4 million.

1 deficiency of approximately \$1.631 million from Island Industrial Customers during the
2 period of interim rates from 2014 to the end of March 2017.

3

4 **4.0 Proposed Recovery of Revenue Deficiencies**

5 **4.1 General**

6 In the Amended GRA, Hydro proposed to utilize a portion of the credit balance in the RSP to
7 provide recovery of the revenue deficiencies.⁴⁰ This approach has the advantage of
8 recovering revenue deficiencies by using amounts already collected from customers and
9 avoids higher rates in the future than would be required to recover the amounts owing. This
10 approach also provides a better matching of 2015 proposed rates with 2015 Test Year
11 costs.⁴¹

12

13 The GRA Order requires Hydro to file a revised calculation of the available balances in the
14 RSP and a proposed plan for the recovery of the revenue deficiencies, including the 2014
15 capacity-related supply cost deferral, and a description of customer rate impacts.⁴² The
16 Board also directed Hydro to include various approaches in terms of the impact of the use
17 of RSP balances and rates riders presenting the impacts of the use 25%, 50%, 75%, and
18 100% of the available RSP credit balances to offset the revenue deficiencies.⁴³

19

20 **4.2 RSP Credit Balances**

21 Table 3 showed a reduction of \$76.4 million in the RSP credit balance as at December 31,
22 2016, for the 2015 Test Year relative to the 2007 Test Year. This adjustment to the RSP
23 balance to reflect the 2015 Test Year would provide a fuel cost savings to Hydro in 2017 to
24 offset the impacts of operating the RSP based on the 2007 Test Year for 2015 and 2016.

⁴⁰ Amended GRA, Vol. I., page 4.18.

⁴¹ This approach is similar to the method approved by the Board in the case of Hydro's 2006 GRA in which \$20.7 million of the Hydraulic Production Variation RSP balance owing to customers offset current costs owing from customers.

⁴² Order No. P.U.49(2016), page 130.

⁴³ Ibid.

1 Subsequent to the updating of the RSP balances to reflect the 2015 Test Year as provided in
2 Table 3, and excluding current plan balances that may be reflected in current RSP
3 adjustments, there remains a material credit balance in the RSP available to provide
4 recovery of the revenue deficiency from the Island Industrial Customers.⁴⁴

5
6 The Load Variation Component of the RSP has a credit balance of \$52.0 million at the end of
7 2016 using the 2015 Test Year. The Load Variation balance has accumulated since August
8 31, 2013.⁴⁵ In the GRA Order, the Board approved the Settlement Agreement that provided
9 for the load variation component to be allocated based on an energy allocation basis
10 effective September 2013.⁴⁶ The balance in the load variation component has remained
11 segregated in the RSP since September 2013.⁴⁷

12
13 The portion of the load variation component credit balance allocated to Newfoundland
14 Power based on the December 31, 2016 balance is approximately \$48.9 million. The portion
15 of the load variation component credit balance allocated to the Island Industrial Customers
16 based on the December 31, 2016 balance is approximately \$3.1 million.⁴⁸

17
18 The hydraulic component of the RSP has a credit balance owing to customers of
19 approximately \$21 million at the end of 2016 under the 2015 Test Year. The credit balance
20 reflects fuel savings that have accumulated due to higher hydraulic production than
21 reflected in customer rates. The hydraulic balance is not fully disposed of annually but is
22 amortized over a four-year period.

⁴⁴ As indicated in Section 3, there is no cumulative amount owing from Newfoundland Power with respect to revenue deficiency.

⁴⁵ In Order No. P.U. 29(2013), the Board ordered that the Load Variation from Island Industrial Customers and Newfoundland Power be held in a separate account until it is approved for disposition.

⁴⁶ Order No. P.U.49(2016), page 18, lines 21-23.

⁴⁷ Section B (2) of the RSP Rules requires that the load variation be held in a separate account in the Plan, until its disposition is ordered by the Board.

⁴⁸ There is also \$0.3 million allocated to Labrador Interconnected customers and written off.

1 Based on the 2015 Test Year fuel price of \$64.41 per barrel, the \$21 million credit balance in
 2 the hydraulic component of the RSP represents approximately 200 GWh⁴⁹ in reduced
 3 Holyrood generation as a result of above average hydraulic generation. This represents less
 4 than 5% of the normal annual hydraulic production.⁵⁰ Hydro’s Amended GRA shows that
 5 this amount of hydraulic generation variation could occur in a single year.⁵¹ Therefore,
 6 Hydro considers it reasonable to maintain the current hydraulic balance for smoothing
 7 material fluctuations in the cost of supply and proposes that the revenue deficiency owing
 8 from the Island Industrial Customers be recovered from the RSP Load Variation component.
 9
 10 The GRA Order requires Hydro to include various approaches in terms of the impact of the
 11 use of the RSP balances and rate riders reflecting the use of 25%, 50%, 75% and 100% of the
 12 available RSP credit balances to offset the revenue deficiency amounts.⁵² Table 14 below
 13 presents the options requested by the Board.

Table 14
Use of 25%, 50%, 75%, and 100% of the RSP Load Variation Component Balance
to Eliminate Revenue Deficiency (\$000s)

	Cumulative Revenue Deficiency Allocation	2015 Test Year Credit Balance (Dec.31,2016)	25%			50%			75% & 100%		
			RSP Balance Used	Remaining Balance	Deficiency Remaining	RSP Balance Used	Remaining Balance	Deficiency Remaining	RSP Balance Used	Remaining Balance	Deficiency Remaining
Newfoundland Power Plan	0	48,868	0	48,868	N/A	0	48,868	0	0	48,868	0
Island Industrial Customer Plan	1,631	3,110	778	2,332	853	1,555	1,555	76	N/A	N/A	N/A

⁴⁹ 201 GWh = \$21 million divided by 10.4¢ per kWh.

⁵⁰ The approved normal hydraulic production is 4,603.6 GWh for the 2015 Test Year.

⁵¹ Amended GRA, Schedule V of Regulated Activities Evidence shows that hydraulic production was 404 GWh below the 2015 Test Year normal in 2009 and 330 GWh below the 2015 Test Year normal in 2010.

⁵² Order No. P.U.49(2016), page 130, lines 20-26.

1 If 25% of the Load Variation component balance was utilized to provide the revenue
 2 deficiency recovery, \$853,000 would be required to be recovered through a rate rider. This
 3 amount represents an additional 2.7% rate increase if recovered over a single year or 1.4%
 4 additional increase if recovered over two years.⁵³ If 50% of the Load Variation component
 5 balance was utilized to provide the revenue deficiency recovery, \$76,000 would be required
 6 to be recovered through a rate rider. This amount represents an additional 0.24% rate
 7 increase if recovered over a single year.⁵⁴ As indicated in Table 15, the use of approximately
 8 52% of the balance in the Island Industrial Customer portion of the load variation
 9 component balance would eliminate the cumulative revenue deficiency from Island
 10 Industrial Customers.

**Table 15
 Use of RSP Load Variation Component Balance
 to Eliminate Revenue Deficiency (\$000s)**

	2015 Test Year Credit Balance at December 31, 2016	Cumulative Revenue Deficiency Allocation	Remaining Balance	Percentage of RSP Balance used
Newfoundland Power Plan	48,868	0	48,868	0%
Island Industrial Customer Plan	3,110	1,631	1,479	52%

11 As demonstrated in the Customer Rates Report provided as Exhibit 4 to the GRA
 12 Compliance Application, the proposed overall Island Industrial Customers rate change is
 13 7.1% resulting from the combined impacts of the: base rate change; implementation of a
 14 fuel rider for 2017; the implementation of a RSP adjustment reflecting disposition of the
 15 current plan balance; and the elimination of the RSP credit balances.

⁵³ 2.7% equals \$853,000 divided by \$31.2 million forecast Test Year billings under existing rates.

⁵⁴ 0.24% equals \$76,000 divided by \$31.2 million forecast Test Year billings under existing rates.

1 The use of a rate rider to recover the revenue deficiency from Island Industrial Customers
2 rather than using the credit balance in the RSP Load Variation component would further
3 increase the customer rate impacts. As shown in Appendix F in Exhibit 4, the percentage bill
4 impacts vary materially by customer. The rate rider analysis requested by the Board in the
5 GRA Order anticipated a material revenue deficiency that would require a long-term plan
6 for recovery.⁵⁵ The interim rates implemented by the Board during the GRA process avoided
7 this potential consequence. As such, Hydro does not believe implementing a larger increase
8 through a rate rider is necessary.

9

10 Hydro proposes that the cumulative revenue deficiency from the Island Industrial
11 Customers be recovered from their respective credit balance in the RSP load variation
12 component effective March 31, 2017. Hydro considers this approach reasonable in dealing
13 with recovery of the cumulative revenue deficiency. This approach has the advantage of
14 recovering revenue deficiencies by using amounts already collected from customers and
15 avoids higher rates in the future than would be required to recover the amounts owing. This
16 approach also provides a better matching of 2015 proposed rates with 2015 Test Year costs.

17

18 For the excess revenue amount of \$703,000 owed to Newfoundland Power, Hydro proposes
19 to transfer this amount to the RSP current plan for Newfoundland Power.

20

21 In March 2017, Hydro is required to file an application for disposition of the balances in the
22 approved supply cost variance accounts.⁵⁶ As shown in the 2016 Cost Deferral Application,
23 the balance in the supply cost variance accounts at the end of 2016 is \$38.7 million owing
24 from customers.⁵⁷ Hydro supports continued segregation of the remaining load variation

⁵⁵ Order No. P.U.49(2016), page 130 , lines 4-6 and lines 9-13.

⁵⁶ This includes the Energy Supply Cost Variance Account, the Holyrood Fuel Conversion Account and the Isolated Systems Supply Cost Variance Account.

⁵⁷ Filed with the Board on December 9, 2016.

1 component balance of the RSP to be available to provide for recovery of the deferred
2 supply costs while limiting customer impacts.

3

4 **5.0 Conclusion**

5 To permit Hydro to deal with forecast revenue deficiencies during the extended GRA
6 process, the Board approved cost deferral accounts for 2014, 2015 and 2016. For 2014, the
7 Board also approved the deferral of \$9,650,000 of additional capacity related supply costs
8 incurred by Hydro in the first quarter of 2014. ⁵⁸ Table 16 provides a comparison of the
9 approved cost deferrals with the contributors to revenue deficiencies in each year.

**Table 16
Summary of Cost Deferrals and Revenue Deficiencies**

Line No.	Particulars (\$000s)	2014	2015	2016	2017	Total
1	Approved Revenue Deficiencies	45,900	30,200	38,800	-	114,900
2	Approved Fuel Deferral	9,650	-	-	-	9,650
3	Previously Approved Deferrals	55,550	30,200	38,800	-	124,550
4	Revenue Deficiency/(Sufficiency)	38,722	(9,198)	(33,680)	5,084	928
5	RSP Change in Test Years	-	37,473	38,969	-	76,442
6	Additional Supply Costs	-	17,800	21,000	-	38,800
7	Net Revenue Deficiency/(Sufficiency)	38,722	46,075	26,289	5,084	116,170
8	Deferral Adjustment Required (Line 3-7)	(16,828)	15,875	(12,511)	5,084	(8,380)

10 Table 16 shows that for 2014, the Board deferred \$55.55 million. Hydro's recoverable costs
11 based on the GRA Order is \$38.7 million (a \$16.9 million reduction relative to the cost
12 deferral).

⁵⁸ Order No. P.U.56(2014).

1 For 2015, Hydro has not yet recovered the \$37.5 million through the updating of the RSP to
2 reflect the 2015 Test Year or the \$17.8 million in additional supply costs. This will occur in
3 2017 with the updating of the RSP to reflect the 2015 Test Year and through the filing of an
4 additional application by Hydro to recover of the balances in the approved supply cost
5 variance accounts. These cost items are offset by \$9.2 million in excess billing revenues in
6 2015. The combined impact of these items is that Hydro's total revenue deficiency for 2015
7 was \$46.1 million, or \$15.9 million in excess of the approved 2015 revenue deficiency
8 deferral.

9

10 For 2016, Hydro has not yet recovered the \$39.0 million through the updating of the RSP to
11 reflect the 2015 Test Year or the \$21 million in additional supply costs. This will occur in
12 2017 with the updating of the RSP to reflect the 2015 Test Year and through the filing of an
13 additional application by Hydro to recover the balances in the approved supply cost
14 variance accounts. These cost items are offset by \$33.7 million in excess billing revenues in
15 2016. The combined impact of these items is that Hydro's total 2016 revenue deficiency
16 was \$26.3 million, or \$12.5 million less than the approved deferral.

17

18 For 2017, the delay in implementation of customer rates until April 1, 2017 results in a
19 revenue deficiency of \$5.1 million.

20

21 The total of the cost deferrals approved for 2014 to 2016 was \$124,550,000 while the
22 cumulative total of the revenue deficiencies was \$116,170,000. Hydro proposes to: (i) credit
23 \$703,000 to the balance in the Newfoundland Power RSP current plan to address the
24 amounts owing as a result of the excess revenues from interim base rates for
25 Newfoundland Power; and (ii) transfer \$1,631,000 from the Island Industrial Customer load
26 variation component credit balance of the RSP to eliminate the cumulative revenue
27 deficiency for the period 2014 to 2017 from Island Industrial Customers. Following recovery
28 of the revenue deficiencies in 2017 with the updating of the RSP to reflect the 2015 Test
29 Year and the filing of the application by Hydro to recovery of the supply cost deferrals for

- 1 2015 and 2016, Hydro will file correspondence with the Board dealing with the closure of
- 2 the revenue deficiency deferral accounts.

Exhibit 4
GRA Compliance Report -
Customer Rates

Newfoundland and Labrador Hydro

January 2017

Table of Contents

1.0	Introduction	1
2.0	Compliance Requirements.....	1
2.1	Cost of Service Study.....	1
2.2	Rate Design.....	3
2.4	Changes to Schedule of Rules and Regulations	5
2.4.1	RSP Rule Changes.....	5
2.4.2	Regulation Changes	6
3.0	Proposed Customer Rates	7
3.1	Utility Rate.....	7
3.2	Island Industrial Customers.....	8
3.3	Hydro Rural Customers	11
3.4	Labrador Industrial Transmission Rate	13
3.5	Reconciliation of Rates and Cost of Service	14
3.6	Implementation Date.....	16
4.0	Conclusion.....	16
Appendix A:	Rate Stabilization Plan Fuel Price Projection Rider	
Appendix B:	Calculation of Customer Bill Impact – Newfoundland Power	
Appendix C:	Forecast Drawdown of Island Industrial Customer Rate Stabilization Plan Surplus	
Appendix D	Rate Stabilization Plan Recovery Adjustment - Island Industrial Customers	
Appendix E:	Island Industrial Customer Billing Impact	
Appendix F:	Labrador Interconnected and Diesel - Government Departments Rate Comparison	

1 **1.0 Introduction**

2 In Order No. P.U. 49(2016) (the GRA Order), the Board of Commissioners of Public Utilities (the
3 Board) made a number of significant findings that impact Newfoundland and Labrador Hydro’s
4 (Hydro) 2015 Test Year revenue requirements for rate setting purposes proposed in Hydro’s
5 Amended General Rate Application (Amended GRA). Hydro’s revised 2015 Test Year revenue
6 requirement for rate-setting reflecting the Board’s findings in the GRA Order is provided for in
7 Exhibit 2 to the GRA Compliance Application. Hydro used these inputs, in addition to the
8 Board’s direction on rate design, to develop customer rates in compliance with the GRA Order.

9
10 This report provides:

- 11 • Hydro’s requirements with respect to filing a revised schedule of rates, rules and
12 regulations to provide compliance with the GRA Order;
- 13 • Hydro’s proposed customer rates, including a comparison of existing and proposed
14 rates and the customer billing impacts of implementing the proposed customer
15 rates;
- 16 • a reconciliation of revenues from proposed customer rates to the revised 2015 Test
17 Year revenue requirement for rate-setting; and
- 18 • a summary of the revisions to the rules and regulations reflecting the GRA Order.

19
20 **2.0 Compliance Requirements**

21 **2.1 Cost of Service Study**

22 Hydro updated its 2015 Test Year Cost of Service Study for rate-setting purposes to reflect the
23 GRA Order, including the cost of service matters reflected in the approved settlement
24 agreements.¹

¹ The Settlement Agreement and the Supplemental Settlement Agreement, dated August 14, 2015 and September 28, 2015, respectively.

1 Regarding the cost of service issues decided on by the Board, the Board:

- 2 (i) directed Hydro to continue to use the Island Industrial Customer load forecast
3 for use in setting customer rates;²
- 4 (ii) directed Hydro to continue to use the existing methodology for the allocation of
5 operating and maintenance costs in determining specifically assigned charges to
6 Island Industrial Customers;³ and
- 7 (iii) approved Hydro’s proposal to use the revenue requirement method to allocate
8 the rural deficit between Newfoundland Power and the Labrador Interconnected
9 system as of January 1, 2014.⁴

10

11 The cost of service issues agreed to in the Settlement agreements, and accepted by the Board,⁵
12 are as follows:

- 13 (i) the treatment of the curtailable load by Newfoundland Power;
- 14 (ii) the classification of wind energy purchases as 100% energy-related;
- 15 (iii) the classification of all Holyrood fuel costs to energy;
- 16 (iv) Newfoundland Power’s load forecast;
- 17 (v) the specific assignment of the frequency converter at corner Brook Pulp and
18 Paper Limited;
- 19 (vi) the capacity factor at Holyrood be calculated based on a historical five-year
20 period from 2010 to 2014 inclusive;
- 21 (vii) a generation credit be included in the Utility Rate for Newfoundland Power of
22 119,329 kW applied in the same manner as in the last approved 2007 cost of
23 service study to reduce Newfoundland Power’s peak demand for cost allocation
24 purposes; and
- 25 (viii) the costs associated with Hydro’s capacity assistance agreements with Vale and
26 CBPP be treated as demand-related.

² Order No. P.U.49(2016), page 28.

³ *Ibid.*, page 98.

⁴ *Ibid.*, page 105.

⁵ *Ibid.*, page 18.

1 The revised 2015 Test Year Cost of Service Study for rate-setting purposes is provided in Exhibit
2 13 to the GRA Compliance Application.

3

4 **2.2 Rate Design**

5 The Settlement Agreements reflect the current rate design for Newfoundland Power and the
6 Island Industrial Customers.⁶ The specific rate issues agreed upon are:

7 (i) the continuation of the current rate design for Island Industrial Customers;

8 (ii) the inclusion of an industrial wheeling rate with the specific rate to be calculated in
9 accordance with the methodology proposed;

10 (iii) the Utility Rate for Newfoundland Power to include a demand charge of \$4.75 per
11 kW of billing demand and an end block energy rate determined based on the 2015
12 Test Year No. 6 fuel price (\$64.41 per barrel), divided by the 2015 Test Year
13 Holyrood conversion factor (618 kWh per barrel). The approved 2015 Test Year
14 revenue requirement not recovered through the demand charge and the end-block
15 energy charge in Newfoundland Power's rate will be used to compute the first block
16 energy charge; and

17 (iv) the wholesale rate to Newfoundland Power to include a curtailable load credit as
18 proposed in the Amended GRA.

19

20 On the outstanding issues with respect to rates, the Board approved:

21 (i) the continuation of the load variation component in the Rate Stabilization Plan
22 (RSP);⁷

23 (ii) the use of an energy allocation approach for the RSP load variation component
24 effective September 1, 2013;⁸

25 (iii) the Labrador Industrial Transmission Rate for existing customers;⁹

⁶ *Ibid.*, page 105 and 106.

⁷ *Ibid.*, page 107.

⁸ *Ibid.*, page 108.

⁹ *Ibid.*, page 110.

- 1 (iv) the continuation of uniform rates for Labrador Interconnected Rural
2 customers;¹⁰
- 3 (v) the implementation of higher than average increases for Hydro Rural non-
4 Government Domestic and General Service customers in accordance with
5 Government directive OC2016-104;¹¹ and
- 6 (vi) the continuation of the previously approved calculation for the energy charge to
7 Industrial customers for non-firm service with an update to use 3.47% for
8 average system losses.¹²
- 9

10 The GRA Order also requires Hydro file a proposal on the finalization of Island Industrial
11 Customer rates that reflects the finding of the GRA Order.

12

13 In Order No. P.U. 26(2016), the Board approved changes in Hydro’s regulations and its rate
14 designs, to become effective July 1, 2016, to be consistent with approved changes in the
15 Newfoundland Power Contribution in Aid of Construction (CIAC) Policy. In accordance with
16 Order in Council 299-’80, Hydro is required to apply the CIAC policy of Newfoundland Power in
17 determining contributions from Hydro Rural customers. At the time of filing that application,
18 Hydro did not propose implementing comparable changes for customers on the Labrador
19 Interconnected System because the Policies for Automatic Rate Changes in Hydro’s Schedule of
20 Rules and Regulations do not apply to Hydro’s Rural customers on the Labrador Interconnected
21 System. Hydro is now proposing regulation and rate design changes in its GRA Order
22 Compliance Application to be consistent with the approved changes in the Newfoundland
23 Power CIAC Policy.

24

25 With respect to other rate changes for Hydro’s Rural customers, Hydro has developed cost-
26 based rates for Government diesel customers in accordance with past practice and will apply

¹⁰ Ibid., page 111.

¹¹ Ibid., page 112.

¹² Ibid.

1 the Policies for Automatic Rate Changes to design customer rates for Hydro’s Rural customers
2 whose rates change as a result of rate changes to Newfoundland Power’s customers.

3

4 **2.3 RSP Fuel Rider**

5 Section D of the RSP rules requires that when new Test Year base rates come into effect, if a
6 fuel rider forecast (either March or September) is more current than the Test Year fuel forecast,
7 a fuel rider will be implemented at the same time as the change in base rates reflecting the
8 more current fuel forecast and the new Test Year values. The Board approved the use of \$64.41
9 fuel cost reflecting a 2016 fuel price forecast filed on October 28, 2015.

10

11 On October 14, 2016, Hydro filed a September fuel rider forecast for 2017 with the Board
12 reflecting a forecast fuel price of \$68.50. In accordance with the RSP Rules, Hydro has included
13 a fuel rider in its proposed rates for Newfoundland Power and the Island Industrial Customers
14 in the Compliance Application.

15

16 **2.4 Changes to Schedule of Rules and Regulations**

17 **2.4.1 RSP Rule Changes**

18 In the GRA Order, the Board approved the following amendments to the RSP rules:¹³

- 19 (i) changes to reflect an energy allocation approach such that the allocation of year-to-
20 date net load variations in the RSP load variation component will be based on energy
21 ratios effective September 1, 2013;
- 22 (ii) removal of Section D(2.2), by which the Island Industrial Customer RSP was
23 suspended effective January 1, 2014;
- 24 (iii) removal of Section 1.3(b), as well as references to the December 6, 2006
25 Government directive, as there is no further Rural Labrador Interconnected
26 Automatic Rate Adjustment; and
- 27 (iv) removal of Section E – Historical Plan Balance, as it no longer exists.

¹³ Ibid., page 112.

1 In Order No. P.U. 54(2016), the Board also approved revisions to the Rate Stabilization Plan
2 rules to become effective with the implementation of new rates arising from the GRA Order.
3 These revisions provided for revised wording of the RSP rules for use in the calculation of the
4 fuel rider and a revision to the RSP Surplus section of the rules to reflect the approval of
5 Hydro’s Customer Refund Plan in Order No. P.U. 36(2016). Exhibit 14 to the GRA Compliance
6 Application provides Hydro’s proposed revised RSP Rules.

7

8 **2.4.2 Regulation Changes**

9 In the GRA Order, the Board approved the following changes to Hydro’s Rules and
10 Regulations:¹⁴

- 11 (i) Section 1(a)(iii) be revised to include the words “and Labrador” in the definition
12 of the word “Board”;
- 13 (ii) Section 2 - Classes of Service revised to include Island Interconnected L’Anse au
14 Loup class 1.1S – Domestic Seasonal and delete Island Interconnected – L’Anse
15 au Loup class 2.2 General Service; Island and Labrador Diesel Areas be revised to
16 include 1.2DS – Domestic Seasonal Diesel – Non-Government; remove Happy
17 Valley Goose Bay Interconnected Area and Labrador City/Wabush
18 Interconnected Area classes; and add Labrador Interconnected classes;
- 19 (iii) Section 7(f) be amended to agree with Section 7(f) of Newfoundland Power’s
20 Rules and Regulations, for consistency between the utilities;
- 21 (iv) Section 9(k) be revised to change the reference to “Happy Valley Goose Bay,
22 Labrador City and Wabush service areas” to “Labrador Interconnected service
23 area”; and
- 24 (v) Section 10(d) be amended to agree with Section 10(d) of Newfoundland Power’s
25 Rules and Regulations, for consistency between the utilities.

26

27 Exhibit 14 to the GRA Compliance Application provides Hydro’s proposed revised Rules and
28 Regulations.

¹⁴ Ibid., page 113.

1 **3.0 Proposed Customer Rates**

2 Exhibit 14 to the GRA Compliance Application provides the revised Schedule of Rates, Rules and
 3 Regulations (including RSP Rules) reflecting the Board’s decisions. The following sections
 4 provide descriptions of the revisions as well as a summary of Hydro’s proposed rates for
 5 customers.

6
 7 **3.1 Utility Rate**

8 Table 1 provides a comparison of the existing and proposed Utility Rate including both the
 9 change in the base rates and the RSP adjustments.

**Table 1
 Utility Rate Comparison**

Rate Component	Existing Rate	Proposed Rate	Change
Monthly Demand Charge (\$/kW)	4.32	4.75	0.43
Monthly Energy Charges (¢/kWh)			
1 st 250 GWh	3.506	2.319	(1.187)
Excess	9.509	10.422	0.913
Firming Up Charge	0.908	2.882	1.974
RSP Adjustments (¢/kWh)			
RSP – Current Plan	(1.213)	(1.213)	-
RSP – Fuel Rider	(0.023)	0.162	0.185
Total RSP Adjustment	(1.236)	(1.051)	0.185
Generation Credit	117,930 kW	119,329 kW	1,399 kW
Minimum Billing Demand	1,063,824 kW	1,247,569 kW	183,745 kW

10 The proposed Utility rate is in compliance with the GRA Order. In accordance with the
 11 Settlement Agreement approved by the Board, the billing demand charge is set at \$4.75 per kW
 12 and the end block energy charge is set at the Test Year approved fuel price divided by the
 13 approved Holyrood fuel conversion rate for the 2001 Test Year (i.e., \$64.41 divided by 618 kWh
 14 per barrel). The first block price is then computed based on the remaining annual revenue
 15 requirement divided by the first block kWh for the year.

1 The revised fuel rider is calculated in accordance with the RSP Rules using the most recent fuel
2 rider forecast filed with the Board and applying Test Year values in the calculation. The
3 conversion rate from \$US to \$Canadian used in the calculation of the fuel rider was 1.3267
4 which equals the currency conversion rate used in determining the approved Test Year fuel cost
5 of \$64.41.¹⁵

6
7 The proposed fuel rider reflects the difference between the 2017 forecast No. 6 fuel price of
8 \$68.50 per barrel and approved 2015 Test Year fuel cost of \$64.41 per barrel. The same fuel
9 price is used in the calculation of both the Newfoundland Power fuel rider and the Island
10 Industrial Customer fuel rider. The supporting calculations for the Newfoundland Power fuel
11 rider and the Island Industrial Customer fuel rider are provided in Appendix A to this report.

12
13 Hydro has not updated the RSP recovery adjustment in its proposed rates. This RSP rate will be
14 updated in Hydro's annual RSP adjustment to be implemented July 1, 2017.

15
16 The annualized billing impact of implementing the proposed Utility base rate and the new fuel
17 rider based on the 2015 Test Year load forecast is a 2.3% increase.¹⁶ The end-consumer impact
18 is estimated at an approximate 1.5% increase. The supporting calculations for the
19 Newfoundland Power billing impacts are provided in Appendix B to this report.

20 21 **3.2 Island Industrial Customers**

22 The GRA Order required Hydro to file a proposal for the finalization of Island Industrial
23 Customer rates. In the fall of 2013, the Board approved initial changes to Island Industrial
24 Customer rates in compliance with Orders in Council OC2013-089 and OC2013-090, as

¹⁵ See Schedule B, of correspondence to the Board dated October 15, 2015. The fuel price forecast provided in this letter was used in deriving the revised Test Year No. 6 fuel cost of \$64.41 per barrel provided to the Board in a letter dated October 28, 2015.

¹⁶ The proposed base rate change for Newfoundland Power is a decrease of 0.1%. The inclusion of the fuel rider results in the rate increase.

1 amended, which provided direction to the Board and to Hydro, respectively, with regard to the
2 phasing-in of rate changes to Hydro’s Island Industrial Customers.¹⁷

3
4 In Order No. P.U. 21(2015), the Board approved a 10 % increase in Island Industrial Customers
5 base rates (excluding specifically assigned charges) and the implementation of RSP Surplus
6 adjustments that resulted in a 2.7% increase in rates for each individual Island Industrial
7 Customers effective July 1, 2015.¹⁸ In Order No. P.U. 21(2015), the Board also approved an RSP
8 Adjustment of (1.141¢) per kWh to apply to Teck Resources.

9
10 In Order No. P.U. 35 (2015), the Board approved an additional 3.7% base rate increase to Island
11 Industrial Customers effective January 1, 2016. The average 3.7% increase in base rate revenue
12 from the Island Industrial Customers had no customer billing impact as the increase in base rate
13 demand and energy charges were fully offset by revised RSP Surplus adjustments. The Board
14 also approved RSP Surplus adjustments of (\$1.52) per kW and (0.294) ¢ per kWh.

15
16 The Island Industrial Customers RSP Surplus balance at the end of 2016 was a credit balance of
17 \$290,000 based on the updated weighted average cost of capital for the 2015 Test Year. The
18 continuation of the RSP Surplus credits for Island industrial Customers until the end of March
19 2017 will result in a RSP surplus balance of approximately \$500,000 owing to Hydro. Appendix C
20 provides the calculation of the forecast drawdown of the RSP surplus for Island Industrial
21 Customers.

22
23 Through the normal course of the RSP, this amount would be reflected in an amount owing
24 from Island Industrial Customers for setting customer rates in 2018. The other option would be

¹⁷ In Order No. P.U. 26(2013), the Board approved the elimination of the RSP adjustment rate in accordance with the direction of Government and in Order No. P.U. 29(2013), the Board approved a new RSP rate for Teck Resources Limited.

¹⁸ A separate RSP Adjustment was maintained for Teck Resources to achieve the equal percentage increase for each customer.

1 update the RSP recovery rider for 2017 to reflect the outstanding balance. This would increase
2 the proposed rate increase by an additional 1.6%.¹⁹

3

4 The GRA Order also approved the removal of Section D(2.2) by which the Island Industrial
5 Customer RSP update was suspended. The removal of this section of the RSP Rules requires an
6 RSP adjustment to be implemented for 2017 to provide disposition of the current plan balance
7 in 2017 (i.e., \$1.8 million owing to Island Industrial customers). Appendix D provides the
8 calculation of the RSP adjustment for disposition of the current plan balance reflected in
9 proposed rates.

10

11 The proposed rates for Island industrial Customers provided in Exhibit 14 have discontinued the
12 RSP Surplus demand and energy adjustments, introduced a RSP adjustment to reflect the
13 current plan balance at December 31, 2016, and included a new fuel rider to reflect the
14 difference between the 2017 forecast No. 6 fuel price of \$68.50 per barrel and approved 2015
15 Test Year fuel cost of \$64.41 per barrel.

16

17 Table 2 provides a comparison of the existing and proposed Island Industrial Customers rates
18 including the change in the base rates and the RSP adjustments.

¹⁹ 1.6% = \$500,000 divided by \$31.2 million (2015 Test Year revenue under existing rates).

Table 2
Island Industrial Customer Rate Comparison

Rate Component	Existing	Proposed	Change
Monthly Demand Charge (\$/kW)	8.38	7.99	(0.39)
RSP Surplus Demand Credit	(1.52)	0.00	1.52
Net Demand Charge	6.86	7.99	1.13
Monthly Energy Charge (¢/kWh)	4.069	3.971	(0.098)
RSP Adjustment (¢/kWh)²⁰	0.00	(0.373)	(0.373)
RSP Fuel Rider	0.00	0.150	0.150
RSP Surplus Energy Credit	-0.294	0.0	0.294
Net Energy Rate (¢/kWh)	3.775	3.748	(0.027)
Specifically Assigned Charges – Annual (\$)			
CBPP	347,167	870,898	523,731
NARL	150,976	89,293	(61,683)
Teck Resources	186,169	199,399	13,230
Vale	-	480,243	480,243
Praxair	-	-	-
Wheeling	0.384	0.423	0.039

1 The annualized billing impact of implementing the proposed Industrial Customer rate provided
 2 in Table 2 based on the 2015 Test Year load forecast is an average 7.1% increase. The
 3 supporting calculations for the Island Industrial Customer billing impacts are provided in
 4 Appendix E to this report.

5
 6 The GRA Order also approved Hydro’s proposal to update the loss factor from 2.68% to 3.47%
 7 in calculating the non-firm energy charge to Island Industrial Customers. The non-firm energy
 8 charge proposed in this GRA Compliance Application reflects this finding of the Board.

9

10 **3.3 Hydro Rural Customers**

11 The proposed rate change for the Hydro Rural Island Interconnected customers and customers
 12 in L’Anse au Loup equal the proposed rate increase of 1.5% to the customers of Newfoundland

²⁰ There is also an existing RSP Adjustment of (1.141)¢ that applies solely to Teck Resources that is proposed to be eliminated.

1 Power. The proposed rate change for customers on the Labrador Interconnected system is an
2 average increase of 1.0% with a 0.8% increase applied equally to each rate class with the
3 exception of Street and Area Lighting (16% increase).²¹ The proposed rates for General Service
4 customers on the Labrador Interconnected System include new customer charges to reflect the
5 revised CIAC Policy implemented July 1, 2016 for both the Labrador Interconnected System and
6 the Island Interconnected System.

7
8 The GRA Order approved higher than the average increases for Hydro Rural non-Government
9 Domestic and General Service customers on Isolated systems than the rate change proposed
10 for the Hydro Rural Interconnected customers. These higher than average increases result from
11 the combined impact of i) the 2015 Test Year forecast change of 1.5% in rates for Island
12 Interconnected customers, and ii) the increase in rates to implement the 2007 rate change that
13 was deferred as a result of Government directives. The proposed customer rates reflect this
14 finding of the Board.²²

15
16 Hydro has also proposed full cost recovery rates for Government customers on Isolated Diesel
17 systems consistent with past practice and approved in the GRA Order. Table 3 provide the
18 estimate customer rate impacts by class for Hydro Rural customers.

²¹ This approach is consistent with the rate design proposals reflected in the Amended GRA. See page 4.45 of Section 4 in the pre-filed Evidence.

²² The bill impacts differ for Hydro's Rural Domestic Customers in L'Anse au Loup and in Labrador Diesel Systems that are eligible for the Northern Strategic Plan rebate provided by the Provincial Government, as those customers pay the Labrador Interconnected Domestic rate for the lifeline consumption block.

Table 3
Impact of Proposed Rate Change for Hydro Rural Customers - April 1, 2017

Rural Island Interconnected & L’Anse au Loup	1.5%
Isolated Systems	
Domestic	5.8%
General Service – 2.1D 0-10 kW	16.3%
General Service – 2.2D 10 kW and Over	17.5%
General Service – Island Interconnected Rates	1.5%
Street and Area Lighting	1.5%
Isolated Systems Total	9.4%
Rural Labrador Interconnected	
Domestic and General Service	0.8%
Street and Area Lighting	16.0%
Labrador Interconnected Total	1.0%

1 Hydro has not filed the proposed rates for its Rural customers whose rates change based on the
 2 rates proposed for implementation for Newfoundland Power customers. Those rates will be
 3 filed for approval subsequent to Newfoundland Power filing its application to flow-through
 4 Hydro’s rate change to its customers. Hydro has filed its proposed rates for customers on the
 5 Labrador Interconnected System and Government customers on Isolated Systems. Appendix F
 6 provides a comparison of existing and proposed rates for these customers.

7

8 **3.4 Labrador Industrial Transmission Rate**

9 In the GRA Order, the Board approved the \$1.25 per kW transmission demand charge
 10 implemented on an interim basis effective January 1, 2015, as final. Hydro updated its 2015 Test
 11 Year Cost of Service Study and derived a revised rate of \$1.19 per kW of Billing Demand, to be
 12 applied on a prospective basis. The rate sheet provided in Exhibit 14 for the Labrador Industrial
 13 Transmission Rate states that the approved rate is available to existing customers only, as
 14 required by the GRA Order, and reflects the Billing Demand definition approved in Order No.
 15 P.U. 15(2016).

1 **3.5 Reconciliation of Rates and Cost of Service**

2 Hydro’s total revenues under the proposed rates reconcile to the revised 2015 Test Year Cost of
3 Service Study for rate-setting purposes provided in Exhibit 13. Table 4 provides a comparison of
4 revenues under existing and proposed customer base rates.

5
6 The change in base rate revenues for Newfoundland Power provided in Table 4 do not include
7 the proposed RSP fuel rider as RSP billings do not provide revenues to Hydro. Similarly, the
8 change in base rate revenues for the Island Industrial Customers shown in Table 4 does not
9 include the charges for RSP Adjustments reflected in Table 2.

Table 4
Comparison of Revenues at Existing and Proposed Base Rates

	Dec 31/16 Existing Rates	Apr 1/17 Proposed	\$ Change	% Change
Newfoundland Power Firm	\$448,559,921	\$446,149,437	(\$2,410,484)	
RSP				
Total Firm NP	\$448,559,921	\$446,149,437	(\$2,410,484)	-0.5%
Island Industrial	\$34,892,102	\$34,823,379	(\$68,723)	
Island Industrial Firm				
Island industrial Non-Firm	\$34,892,102	\$34,823,379	(\$68,723)	-0.2%
Labrador Industrial				
Transmission	\$4,050,000	\$3,855,600	(\$194,400)	
Generation Cost Recovery	1,393,200	1,355,306	(37,894)	
Labrador Industrial Total	\$5,443,200	\$5,210,906	(\$232,294)	-4.3%
Canadian Forces Base Goose Bay	\$932,221	\$932,221	\$0	0.0%
Rural Island Interconnected	\$45,315,366	\$46,013,676	698,310	1.5%
Rural Isolated Systems	8,538,450	9,339,051	800,601	9.4%
L'Anse au Loup	2,543,559	2,582,755	39,196	1.5%
Rural Labrador Interconnected				
Domestic	11,150,910	11,236,543	85,633	0.8%
GS 2.1 0-10 kW	410,227	\$413,333	3,106	0.8%
GS 2.2 10-100 kW	2,342,225	\$2,359,886	17,661	0.8%
GS 2.3 110-1000 kVA	3,071,096	3,096,094	24,998	0.8%
GS 2.4 Over 1000 kVA	2,806,310	2,827,524	21,214	0.8%
Street & Area Lighting	312,471	\$362,613	50,142	16.0%
Rural Labrador Interconnected	\$20,093,239	\$20,295,993	\$202,754	1.0%
All Rural Systems Total	\$76,490,614	\$78,231,475	\$1,740,861	2.3%
Grand Total	\$566,318,058	\$565,347,418	(\$970,640)	-0.2%

Reconciliation to the Cost of Service, Sch 1.2, Page 1 Of 6, Column 2, Line 15

Revenues from Proposed Rates	\$565,347,418
Newfoundland Power RSP	0
Total	\$565,347,418
COS	\$565,347,418

1 **3.6 Implementation Date**

2 Hydro proposed that the Rates, Rules and Regulations contained in Exhibit 14 to the GRA
3 Compliance Application become effective April 1, 2017.

4

5 **4.0 Conclusion**

6 The proposed Schedule of Rates, Rules and Regulations presented in Exhibit 14 to the GRA
7 Compliance Application reflect the findings and determinations of the Board in the GRA Order
8 and other related orders of the Board.

NEWFOUNDLAND AND LABRADOR HYDRO
Rate Stabilization Plan Fuel Price Projection Rider
Utility Customer

Line No	Customer Allocation	Amount	Comments
1	September 2016 Fuel Price Projection	\$ 68.50	From Page 3
2	2015 Test Year Fuel Forecast Cost	\$ 64.41	
3	Forecast Fuel Price Variance	\$ 4.09	Line 1 - Line 2
4	2015 Test Year No. 6 Barrels Consumed	2,577,657	
5	Forecast Fuel Variance	\$ 10,542,617	Line 3 x Line 4
6	Utility Customer Allocation Ratio	90.85%	From Line 8
7	Utility Customer Allocation	\$ 9,577,968	Line 5 x Line 6

Calculation of Customer Allocation		kWh	Percent of Total	Allocation of Rural	Total
8	2015 Test Year Utility Sales Forecast	5,924,100,000	84.52%	6.33%	90.85%
9	2015 Test Year Industrial Customer Sales Forecast	621,400,000	8.87%	0.00%	8.87%
10	2015 Test Year Bulk Rural Energy Sales Forecast	463,900,000	6.62%	-6.62%	0.00%
11	Total	7,009,400,000			

Calculation of Utility Customer RSP Rate		Amount	Comments
<u>Fuel Rider</u>			
12	Utility Allocation	\$ 9,577,968	From Line 7
13	2015 Test Year Utility Sales Forecast	5,924,100,000	From Line 8
14	Fuel Projection Rider (cents per kWh)	0.162	Line 12/Line 13 x 1000

NEWFOUNDLAND AND LABRADOR HYDRO
Rate Stabilization Plan Fuel Price Projection Rider
Industrial Customers

Line No	Customer Allocation	Amount	Comments		
1	September 2016 Fuel Price Projection	\$ 68.50	From Page 3		
2	2015 Test Year Fuel Forecast Cost	\$ 64.41			
3	Forecast Fuel Price Variance	\$ 4.09	Line 1 - Line 2		
4	2015 Test Year No. 6 Barrels Consumed	2,577,657			
5	Forecast Fuel Variance	\$ 10,542,617	Line 3 x Line 4		
6	Industrial Customer Allocation Ratio	8.87%	From Line 9		
7	Industrial Customer Allocation	\$ 935,130	Line 5 x Line 6		
Calculation of Customer Allocation		kWh	Percent of Total	Allocation of Rural	Total
8	2015 Test Year Utility Sales Forecast	5,924,100,000	84.52%	6.33%	90.85%
9	2015 Test Year Industrial Customer Sales Forecast	621,400,000	8.87%	0.00%	8.87%
10	2015 Test Year Bulk Rural Energy Sales Forecast	463,900,000	6.62%	-6.62%	0.00%
11	Total	7,009,400,000			
Calculation of Industrial Customer RSP Rate		Amount	Comments	95.65%	
<u>Rate Rider</u>					
12	Industrial Allocation	\$ 935,130	From Line 7		
13	2015 Test Year Industrial Customer Sales Forecast	621,400,000	From Line 9		
14	Fuel Projection Rider (cents per kWh)	<u><u>0.150</u></u>	Line 12/Line 13 x 1000		

NEWFOUNDLAND AND LABRADOR HYDRO
Rate Stabilization Plan Estimated Fuel Price Projection Rider - New Fuel Contract

Hydro Forecast US \$/bbl ⁽¹⁾	Forecast US \$/bbl <i>(a)</i>	Premium / (Discount) US \$/bbl <i>(b)</i>	Landed Forecast Price US \$/bbl <i>(c) = (a) + (b)</i>
2017 January	43.40	3.23	
February	46.10	3.23	
March	46.00	3.23	
April	45.90	3.23	
May	46.60	3.23	
June	46.70	3.23	
July	46.60	3.23	
August	48.40	3.23	
September	49.50	3.23	
October	50.30	5.03 ⁽³⁾	
November	52.60	5.03	
December	<u>53.20</u>	<u>5.03</u>	
Average Holyrood Landed Price (\$US/bbl)	47.94	3.68	51.62
\$Cdn/\$US Noon Exchange Rate ⁽⁴⁾			<u>1.3267</u>
NLH Fuel Price Projection (\$Cdn/bbl) ⁽²⁾			<u>\$68.50</u>

Notes:

- (1) \$US pricing: New York Harbour price forecast, September 2016.
- (2) Price per barrel is rounded to the nearest \$0.05.
- (3) Year 3 of Hydro's current No. 6 fuel contract is effective September 23, 2017.
- (4) Monthly average of the Bank of Canada \$Cdn/\$US Noon Exchange Rate for the month of September, 2015, rounded to 4 decimal places, per the RSP Rules, Section C, used to establish the 2015 Test Year fuel cost of \$64.41 Cdn/bbl.

NEWFOUNDLAND AND LABRADOR HYDRO
Calculation of Customer Billing Impact
Newfoundland Power

	2015 TY		Existing	\$	Proposed	\$	Percent Increase	
	Billing Units	Unit					Utility	Consumer
Demand (kW)	15,122,052	\$/kW/mo	4.32	65,327,265	4.75	71,829,747		
Energy (MWh)	3,000,000	¢/kWh	3.506	105,180,000	2.319	69,570,000		
Energy (MWh)	2,924,100	¢/kWh	9.509	278,052,669	10.422	304,749,702		
Base Rate Total				448,559,934		446,149,449	-0.5%	
RSP: Current Plan	5,924,100	¢/kWh	(1.213)	(71,859,333)	(1.213)	(71,859,333)		
RSP: Fuel Rider	5,924,100	¢/kWh	(0.023)	(1,362,543)	0.162	9,597,042		
Total RSP			(1.236)	(73,221,876)	(1.051)	(62,262,291)		
Total				375,338,058		383,887,158	2.3%	1.5%

NEWFOUNDLAND AND LABRADOR HYDRO
Forecast Drawdown of Island Industrial Customer Rate Stabilization Plan Surplus for Island Industrial Customers

Line No	A			D	E	F	G		I	J	K	L	
	Billing Units						RSP Surplus Credit Adjustment						
	Total IC Demand	Total IC Energy	Teck Energy				Demand Charge	Energy Rate					RSP Adj - Teck
kW	MWh	MWh	\$/kWh	c/kWh	c/kWh	(\$)	(\$)	(\$)	(\$)	(\$)			
							(A x D)	(B x E)	(C x F)	(G + H + I)			
2014													
1	December Closing Balance											(10,892,683)	
2	Adjustment ²											6,774,833	
3	Adjusted Opening Balance											(4,117,850)	
2015													
4	January	65,995	39,850	5,944	-	-	1.111	-	-	66,034	66,034	(22,216)	(4,074,032)
5	February	63,145	32,931	4,811	-	-	1.111	-	-	53,454	53,454	(21,979)	(4,042,556)
6	March	68,000	43,048	5,807	-	-	1.111	-	-	64,516	64,516	(21,810)	(3,999,850)
7	April	69,900	41,423	5,338	-	-	1.111	-	-	59,311	59,311	(21,579)	(3,962,118)
8	May	70,800	41,350	5,049	-	-	1.111	-	-	56,094	56,094	(21,376)	(3,927,401)
9	June	70,200	42,523	4,818	-	-	1.111	-	-	53,528	53,528	(21,188)	(3,895,061)
10	July	70,200	39,352	405	0.49	0.269	1.141	34,398	105,858	4,795	145,051	(21,014)	(3,771,024)
11	August	76,000	42,074	674	0.49	0.269	1.141	37,240	113,178	7,686	158,103	(20,345)	(3,633,265)
12	September	76,000	41,047	517	0.49	0.269	1.141	37,240	110,416	5,893	153,550	(19,601)	(3,499,317)
13	October	79,200	43,594	551	0.49	0.269	1.141	38,808	117,267	6,289	162,364	(18,879)	(3,355,832)
14	November	79,200	44,748	532	0.49	0.269	1.141	38,808	120,373	6,067	165,249	(18,105)	(3,208,688)
15	December	79,200	46,599	655	0.49	0.269	1.141	38,808	125,350	7,479	171,637	(17,311)	(3,054,362)
		867,840	498,538	35,101				225,302	692,443	391,146	1,308,891		
2016													
16	January	69,155	39,450	746	1.52	0.294	1.141	105,116	115,983	8,507	229,606	(16,336)	(2,841,092)
17	February	74,888	39,165	698	1.52	0.294	1.141	113,830	115,144	7,959	236,932	(15,195)	(2,619,354)
18	March	74,888	41,340	726	1.52	0.294	1.141	113,830	121,540	8,280	243,649	(14,009)	(2,389,714)
19	April	70,888	39,523	617	1.52	0.294	1.141	107,750	116,199	7,044	230,993	(12,781)	(2,171,502)
20	May	68,888	44,414	492	1.52	0.294	1.141	104,710	130,578	5,610	240,898	(11,614)	(1,942,218)
21	June	69,888	40,714	419	1.52	0.294	1.141	106,230	119,698	4,782	230,710	(10,388)	(1,721,896)
22	July	71,388	41,726	385	1.52	0.294	1.141	108,510	122,673	4,388	235,571	(9,209)	(1,495,534)
23	August	72,847	46,371	364	1.52	0.294	1.141	110,727	136,332	4,151	251,210	(7,999)	(1,252,322)
24	September	70,888	39,353	362	1.52	0.294	1.141	107,750	115,697	4,134	227,582	(6,698)	(1,031,439)
25	October	75,888	46,418	419	1.52	0.294	1.141	115,350	136,470	4,786	256,605	(5,516)	(780,349)
26	November	75,388	43,143	378	1.52	0.294	1.141	114,590	126,841	4,308	245,739	(4,174)	(538,784)
27	December	76,888	43,766	433	1.52	0.294	1.141	116,870	128,673	4,937	250,479	(2,882)	(291,187)
		871,882	505,384	6,037				870,702	978,146	50,722	1,899,570		
2017 Forecast													
28	January	77,200	43,900	300	1.52	0.294	1.141	117,344	129,066	3,423	249,833	(1,557)	(42,911)
29	February	77,200	43,900	300	1.52	0.294	1.141	117,344	129,066	3,423	249,833	(230)	206,692
30	March	77,200	50,900	300	1.52	0.294	1.141	117,344	149,646	3,423	270,413	1,105	478,210

¹ 2015 Test Year proposed monthly financing rate of 6.610%.

² In Order No. P.U. 17(2015), the Board approved a one-time transfer from the IC RSP Surplus to pay the December 31, 2014 IC RSP current balance.

NEWFOUNDLAND AND LABRADOR HYDRO
Rate Stabilization Plan Recovery Adjustment
Island Industrial Customers

Line No	Calculation of Industrial Customer RSP Rate	Amount	Comments
	<u>Current Plan</u>		
1	December Balance	\$ (1,817,842)	December RSP 2016 ⁽¹⁾
2	Adjustment	<u>\$ -</u>	
3	December Balance less load variation & interest	\$ (1,817,842)	Line 1 minus Line 2
4	Forecast Financing Costs to December 31, 2016	<u>\$ (64,993)</u>	Line 21
5	Total	\$ (1,882,835)	Line 3 plus Line 4
6	12 months to date (Jan - Dec) Industrial Customer Sales (kWh)	divided by <u>505,383,547</u>	December RSP 2016
7	RSP Recovery Adjustment rate (¢ per kWh)	<u>(0.373)</u>	Line 5/Line 6*1000

Industrial Customer Forecast Financing Charges
2016

		2015 Test Year Weighted Average Cost of Capital per annum			6.61%			
		Sales	Financing			Total		
		kWh	Costs	Adjustment			To Date	
							Balance	
8	Balance Forward						(1,817,842)	
9	January	39,449,999	(9,722)	147,148			(1,680,416)	
10	February	39,164,558	(8,987)	146,084			(1,543,320)	
11	March	41,340,048	(8,254)	154,198			(1,397,375)	
12	April	39,523,430	(7,474)	147,422			(1,257,427)	
13	May	44,414,234	(6,725)	165,665			(1,098,487)	
14	June	40,713,651	(5,875)	151,862			(952,500)	
15	July	41,725,504	(5,094)	155,636			(801,958)	
16	August	46,371,467	(4,289)	172,966			(633,282)	
17	September	39,352,823	(3,387)	146,786			(489,882)	
18	October	46,418,307	(2,620)	173,140			(319,362)	
19	November	43,143,243	(1,708)	160,924			(160,146)	
20	December	43,766,283	(857)	163,248			2,246	
21	Total	<u>505,383,547</u>	<u>(64,993)</u>	<u>1,885,081</u>				

¹ Reflects December 2016 RSP balance restated for the 2015 Test Year.

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

Total Industrial Customers

	2015 Test Year Billing Units	Unit	Jan 1 2016 Existing	\$	Apr 1 2017 Proposed	\$	Percent Increase vs 2016 Existing
Demand (kW) s	1,064,800	\$/kW/mo	8.38	8,923,024	7.99	8,507,752	
Energy (MWh) s	621,400	¢/kWh	4.069	25,284,766	3.971	24,675,794	
Specifically Assigned		\$	684,312	684,312	1,639,833	1,639,833	
Base Rate Total				34,892,102		34,823,379	-0.2%
RSP: Current Plan	621,400	¢/kWh			(0.373)	(2,317,822)	
RSP: Fuel Rider	621,400	¢/kWh			0.150	932,100	
RSP: Teck Rate	20,400	¢/kWh	(1.141)	(232,764)		-	
RSP: Surplus Credit (Demand)	1,064,800	\$/kW	(1.52)	(1,618,496)		-	
RSP: Surplus Credit (Energy)	621,400	¢/kWh	(0.294)	(1,826,916)		-	
Total RSP				<u>(3,678,176)</u>		<u>(1,385,722)</u>	
Firm plus RSP				<u>31,213,926</u>		<u>33,437,657</u>	7.1%

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

Praxair

	2015 Test		Jan 1		Apr 1		Percent Increase vs 2016 Existing
	Year Billing	Unit	Existing	\$	Proposed	\$	
Demand (kW) s	72,000	\$/kW/mo	8.38	603,360	7.99	575,280	
Energy (MWh) s	51,600	¢/kWh	4.069	2,099,604	3.971	2,049,036	
Specifically Assigned		\$		-		-	
Base Rate Total				2,702,964		2,624,316	-2.9%
RSP: Current Plan	51,600	¢/kWh			(0.373)	(192,468)	
RSP: Fuel Rider	51,600	¢/kWh			0.150	77,400	
RSP: Surplus Credit (Demand)	72,000	\$/kW	(1.52)	(109,440)			
RSP: Surplus Credit (Energy)	51,600	¢/kWh	(0.294)	(151,704)			
Total RSP				(261,144)		(115,068)	
Firm plus RSP				2,441,820		2,509,248	2.8%

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

Vale

	2015 Test Year Billing		Jan 1 2016 Existing		Apr 1 2017 Proposed		Percent Increase vs 2016 Existing
	Units	Unit		\$		\$	
Demand (kW)	488,800	\$/kW/mo	8.38	4,096,144	7.99	3,905,512	
Energy (MWh)	280,800	¢/kWh	4.069	11,425,752	3.971	11,150,568	
Specifically Assigned		\$		-	480,243	480,243	
Base Rate Total				15,521,896		15,536,323	0.1%
RSP: Current Plan	280,800	¢/kWh			(0.373)	(1,047,384)	
RSP: Fuel Rider	280,800	¢/kWh			0.150	421,200	
RSP: Surplus Credit (Demand)	488,800	\$/kW	(1.52)	(742,976)			
RSP: Surplus Credit (Energy)	280,800	¢/kWh	(0.294)	(825,552)			
Total RSP				<u>(1,568,528)</u>		<u>(626,184)</u>	
Firm plus RSP				<u>13,953,368</u>		<u>14,910,139</u>	6.9%

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

CBPP

	2015 Test Year Billing	Unit	Jan 1 2016 Existing	\$	Apr 1 2017 Proposed	\$	Percent Increase vs 2016 Existing
Demand (kW) s	108,000	\$/kW/mo	8.38	905,040	7.99	862,920	
Energy (MWh) s	44,800	¢/kWh	4.069	1,822,912	3.971	1,779,008	
Specifically Assigned		\$	347,167	<u>347,167</u>	870,898	<u>870,898</u>	
Base Rate Total				<u>3,075,119</u>		<u>3,512,826</u>	14.2%
RSP: Current Plan	44,800	¢/kWh			(0.373)	(167,104)	
RSP: Fuel Rider	44,800	¢/kWh			0.150	67,200	
RSP: Surplus Credit (Demand)	108,000	\$/kW	(1.52)	(164,160)			
RSP: Surplus Credit (Energy)	44,800	¢/kWh	(0.294)	<u>(131,712)</u>			
Total RSP				<u>(295,872)</u>		<u>(99,904)</u>	
Firm plus RSP				<u>2,779,247</u>		<u>3,412,922</u>	22.8%

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

NARL

	2015 Test Year Billing		Jan 1 2016 Existing		Apr 1 2017 Proposed		Percent Increase vs 2016 Existing
	Units	Unit		\$		\$	
Demand (kW)	354,000	\$/kW/mo	8.38	2,966,520	7.99	2,828,460	
Energy (MWh)	223,800	¢/kWh	4.069	9,106,422	3.971	8,887,098	
Specifically Assigned		\$	150,976	150,976	89,293	89,293	
Base Rate Total				12,223,918		11,804,851	-3.4%
RSP: Current Plan	223,800	¢/kWh			(0.373)	(834,774)	
RSP: Fuel Rider	223,800	¢/kWh			0.150	335,700	
RSP: Surplus Credit (Demand)	354,000	\$/kW	(1.52)	(538,080)			
RSP: Surplus Credit (Energy)	223,800	¢/kWh	(0.294)	(657,972)			
Total RSP				<u>(1,196,052)</u>		<u>(499,074)</u>	
Firm plus RSP				<u>11,027,866</u>		<u>11,305,777</u>	2.5%

NEWFOUNDLAND AND LABRADOR HYDRO
Island Industrial Customer Billing Impact

Teck

	2015 Test Year Billing	Unit	Jan 1 2016 Existing	\$	Apr 1 2017 Proposed	\$	Percent Increase vs 2016 Existing
Demand (kWs)	42,000	\$/kW/mo	8.38	351,960	7.99	335,580	
Energy (MWhs)	20,400	¢/kWh	4.069	830,076	3.971	810,084	
Specifically Assigned		\$	186,169	186,169	199,399	199,399	
Base Rate Total				1,368,205		1,345,063	-1.7%
RSP: Current Plan	20,400	¢/kWh			(0.373)	(76,092)	
RSP: Fuel Rider	20,400	¢/kWh			0.150	30,600	
RSP: Teck Rate	20,400	¢/kWh	(1.141)	(232,764)			
RSP: Surplus Credit (Demand)	42,000	\$/kW	(1.52)	(63,840)			
RSP: Surplus Credit (Energy)	20,400	¢/kWh	(0.294)	(59,976)			
Total RSP				(356,580)		(43,492)	
Firm plus RSP				1,011,625		1,299,571	28.5%

NEWFOUNDLAND AND LABRADOR HYDRO
Labrador Interconnected
Rate Comparison

	Current Rate	Proposed Rate
Rate 1.2 Domestic		
Basic Customer Charge (per month)	\$7.15	\$7.21
Energy	\$3.280	\$3.305
Rate 2.1 General Service (0-10 kW)		
Basic Customer Charge (per month)		
Unmetered (per month)	\$10.45	\$10.53
Single Phase (per month)	\$10.45	\$6.53
Three Phase (per month)	\$10.45	\$16.53
Energy (cents per kWh)	\$5.240	\$5.172
Rate 2.2 General Service (10-100 kw)		
Basic Customer Charge (per month)		
Unmetered (per month)		\$10.53
Single Phase (per month)		\$6.53
Three Phase (per month)		\$16.53
Demand (dollars per kW)	\$2.20	\$1.80
Energy (cents per kWh)	2.433	2.452
Minimum		
Unmetered (per month)	\$0.00	\$10.53
Single Phase (per month)	\$0.00	\$6.53
Three Phase (per month)	\$20.00	\$20.00
Rate 2.3 General Service (110-1000 kva)		
Demand (dollars per kW)	\$2.00	\$2.02
Energy (cents per kWh)	\$2.103	\$2.119
Rate 2.4 General Service (Over 1000 kva)		
Demand (dollars per kW)	\$1.75	\$1.76
Energy (cents per kWh)	\$1.733	\$1.746
Street and Area Lighting 4.1L		
Mercury Vapour 250 W (9,400 lumens)	\$13.50	\$15.67
High Pressure Sodium 100 W (8,600 lumens)	\$10.00	\$11.60
150W (14,400 lumens)	\$13.50	\$15.67
250W (23,200 lumens)	\$17.80	\$20.66
400W (45,000 lumens)	\$23.00	\$26.69
Wood	\$3.40	\$3.95
Street and Area Lighting 4.12L		
High Pressure Sodium 100 W (8,600 lumens)	\$4.10	\$4.76

NEWFOUNDLAND AND LABRADOR HYDRO
Diesel - Government Departments
Rate Comparison

	Current Rate	Proposed Rate
Rate 1.2G Domestic Diesel		
Basic Customer Charge (per month)	\$43.90	\$55.69
Energy	\$83.567	\$89.164
Rate 2.1G General Service Diesel (0-10 kW)		
Basic Customer Charge (per month)	\$48.54	\$59.76
Energy (cents per kWh)	\$75.486	\$81.367
Rate 2.2G General Service Diesel (Over 10 kw)		
Basic Customer Charge (per month)	\$71.98	\$73.76
Demand (dollars per kW)	\$58.22	\$59.83
Energy (cents per kWh)	\$53.741	\$60.033
Street and Area Lighting Diesel 4.1G		
Mercury Vapour 250 W (9,400 lumens)	\$72.74	\$85.29
High Pressure Sodium 100 W (8,600 lumens)	\$58.92	\$57.28
150W (14,400 lumens)	\$72.74	\$85.29

Exhibit 5
GRA Compliance Report -
Deferral Accounts

Newfoundland and Labrador Hydro

January 2017

Table of Contents

1.0	Background	1
2.0	Isolated Systems Supply Cost Variance Deferral Account	1
3.0	Energy Supply Cost Variance Deferral Account	2
4.0	The Conservation and Demand Management Cost Deferral Account	3
5.0	The Holyrood Conversion Rate Deferral Account.....	4
6.0	Conclusion.....	5

Appendix A: Isolated Systems Supply Cost Variance Deferral Account

Appendix B: Energy Supply Cost Variance Deferral Account

Appendix C: Conservation and Demand Management Cost Deferral Account

Appendix D: Holyrood Conversion Rate Deferral Account

1 **1.0 Background**

2 Newfoundland and Labrador Hydro’s (Hydro) Amended General Rate Application (Amended
3 GRA) contained several proposals for new deferral accounts to defer variances from forecast of
4 certain supply related costs, conservation and demand related costs, and fuel costs. Specifically,
5 Hydro requested approval of the following:

- 6 • the Isolated Systems Supply Cost Variance Deferral Account;
- 7 • the Energy Supply Cost Variance Deferral Account;
- 8 • the Conservation and Demand Management Cost Deferral Account; and
- 9 • the Holyrood Conversion Rate Deferral Account.

10
11 In Order No. P.U. 49(2016) (the GRA Order), the Board of Commissioners of Public Utilities (the
12 Board) approved each of Hydro’s requests, but directed Hydro to file revised language to reflect
13 the Board’s findings in the GRA Order.¹ The following report provides a summary of the Board’s
14 determinations in the GRA Order and explains Hydro’s modifications to its proposals to ensure
15 compliance with the GRA Order. Hydro’s proposed definitions for each of the Isolated Systems
16 Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account, the
17 Conservation and Demand Management Cost Deferral Account, and the Holyrood Conversion
18 Rate Deferral Account, are provided in Appendices A, B, C, and D, respectively, to this Exhibit 5
19 to the GRA Compliance Application.

20
21 **2.0 Isolated Systems Supply Cost Variance Deferral Account**

22 As proposed in the Amended GRA, the Isolated Systems Supply Cost Variance Deferral Account
23 (Isolated Systems Deferral) will provide Hydro the opportunity to recover variances in the price
24 of supply sources on Hydro’s Isolated systems. The proposed account would be credited or
25 charged with the difference between the approved test year price and the actual cost of fuel
26 and purchases on Hydro’s Isolated systems.

¹ Order No. P.U. 49(2016), page 137.

1 In the GRA Order, the Board determined that the Isolated Systems Deferral should be approved
2 effective January 1, 2015, but that recovery of the balance in the account should be addressed
3 in the annual application for disposition of the balance in the account. Further, the Board
4 directed Hydro to revise its proposed account language to provide that Hydro is required to file,
5 with its disposition application, a detailed report setting out the efforts made during the year to
6 minimize the costs on the Isolated systems and how any variance would be collected/refunded
7 and from which customers.²

8
9 The revised account language in compliance with the GRA Order is attached in Exhibit 5,
10 Appendix A. The revised language attached includes a filing date requirement change from
11 March 1, as originally proposed, to March 31. This change has been proposed to align the filing
12 date with that of the Rural Deficit Report, which is also due on March 31 of each year.
13 Alignment of these dates will allow Hydro to file with its application for disposition a detailed
14 report setting out the efforts made during the year to minimize the costs on the Isolated
15 systems, as required by the GRA Order.³

16
17 As noted in Hydro's 2016 Cost Deferral Application⁴, the forecast balance in this account is
18 expected to be \$0.0 million and \$2.1 million payable to customers for 2015 and 2016,
19 respectively. Hydro will file a separate application for disposition of this balance once the Board
20 issues its final approval of the revised proposed account language.

21

22 **3.0 Energy Supply Cost Variance Deferral Account**

23 As proposed in Hydro's Amended GRA, the Energy Supply Cost Variance Deferral Account
24 (Energy Supply Deferral) will capture annual energy supply cost variations on the Island
25 Interconnected System. The proposed account would apply to Hydro's own diesel and gas
26 turbine generation, as well as power purchases from wind generation, Corner Brook Pulp and
27 Paper cogeneration, and hydraulic generation, but exclude energy supply costs or savings

² Ibid., page 116.

³ Ibid., page 116, lines 1-5.

⁴ Filed with the Board on December 9, 2016 and approved in Order No. P.U. 56(2016).

1 resulting from the variance in kWh based on the cost of generation at Holyrood Thermal
2 Generating Station.

3
4 In the GRA Order, the Board determined that the Energy Supply Deferral should be approved
5 effective January 1, 2015, but required that the language of the account be revised with respect
6 to power purchases variances to reflect variances in volume but not price. In addition, the
7 Board found that the proposed account language was not sufficiently specific as to identify the
8 supply sources which are to be reflected in the variances. As such, the Board directed Hydro to
9 modify the account language to reflect these changes.⁵

10
11 The revised account language in compliance with the GRA Order is attached in Exhibit 5,
12 Appendix B. Hydro has also changed the proposed filing date of the Energy Supply Deferral
13 from March 1 to March 31 to allow for a consistent filing date among all approved deferral
14 accounts.

15
16 As noted in Hydro’s 2016 Cost Deferral Application, the forecast balance in this account is
17 expected to be \$14.2 million and \$21.2 million recoverable from customers for 2015 and 2016
18 respectively. Hydro will file a separate application for disposition of this balance once the Board
19 issues its final approval of the revised proposed account language.

20

21 **4.0 The Conservation and Demand Management Cost Deferral Account**

22 In the Amended GRA, Hydro proposed a Conservation and Demand Management (CDM) Cost
23 Recovery Deferral Account to defer and amortize annual energy conservation program costs
24 relating to customer energy conservation initiatives since 2009, plus the annual CDM costs
25 incurred to be incurred over a seven-year period, commencing in 2015, such that for the initial
26 year the CDM Cost Recovery Adjustment will recover 1/7th of the CDM Cost Deferral Account
27 balance as of December 31 of the previous year. In each subsequent year, the CDM Cost
28 Recovery Adjustment will recover the sum of the individual amounts for the previous year

⁵ *ibid.*, page 119.

1 representing 1/7th of the transfer to the CDM Cost Deferral Account for the previous year and
2 amortizations carried forward. The amortization for the CDM Cost Deferral Account is not
3 included in the 2015 Test Year revenue requirement but instead will be recovered through rate
4 riders for Newfoundland Power and the Industrial customers.

5
6 The Conservation and Demand Management Cost Recovery schedule provided in the Schedule
7 of Rates, Rules and Regulations (Exhibit 14) provides the method of allocation and recovery of
8 the CDM Cost Deferral Account balance, with rate adjustments to be implemented each July 1.

9
10 In the GRA Order, the Board determined that, consistent with the Settlement Agreements,⁶
11 Hydro's proposal for the CDM Cost Recovery Deferral Account be approved effective January 1,
12 2016.⁷ A revised account definition is located in Exhibit 5, Appendix C, which reflects the
13 inclusion of 2015 CDM Costs previously approved by the Board for deferral in Order No. P.U.
14 36(2015), and proposed language regarding annual applications for recovery.

15
16 Hydro is proposing a revision to use the calendar year-end balance for disposition in the CDM
17 Cost Deferral Account (from March 31 included in the Amended GRA). The proposed use of
18 December 31 is consistent with the use of year-end balance in the calculation of the CDM
19 Recovery Adjustment provided for in the Schedule of Rates, Rules and Regulations.

20

21 **5.0 The Holyrood Conversion Rate Deferral Account**

22 As proposed in the Amended GRA, the Holyrood Conversion Rate Deferral Account (Holyrood
23 Conversion Deferral) is intended to stabilize costs related to the conversion of barrels of No. 6
24 fuel consumed at the Holyrood Thermal Generating Station to kilowatt hours. The proposed
25 language provides for the deferral of costs incurred by Hydro resulting from variations from the
26 test year forecast associated with the Holyrood conversion rate.

⁶ Settlement Agreements dated August 14, 2015 and September 28, 2015.

⁷ Order No. P.U.49(2016), page 120.

1 In the GRA Order, the Board determined that, to provide for the deferral and recovery of only
2 significant variances and to reflect the fact that some aspects of the Holyrood conversion rate
3 are within Hydro’s control, there should be a cost variance threshold of +/- \$500,000 for the
4 Holyrood Conversion Deferral and directed Hydro to file revised account language for the
5 Holyrood Conversion Deferral reflecting this change.⁸

6
7 The revised account language in compliance with the GRA Order is located in Exhibit 5,
8 Appendix D. Hydro has also changed the proposed filing date of the Holyrood Conversion
9 Deferral from March 1 to March 31 to allow for a consistent filing date among all approved
10 deferral accounts. As noted in Hydro’s 2016 Cost Deferral Application, the forecast balance in
11 this account is expected to be \$3.6 million and \$1.9 million recoverable from customers for
12 2015 and 2016, respectively. Hydro will file a separate application for disposition of this balance
13 once the Board issues its final approval of the revised proposed account language.

14

15 **6.0 Conclusion**

16 Hydro has revised the language to the definitions for the Isolated Systems Supply Cost Variance Deferral
17 Account, the Energy Supply Cost Variance Deferral Account, the Conservation and Demand
18 Management Cost Deferral Account, and the Holyrood Conversion Rate Deferral Account, as
19 directed by the Board in the GRA Order. Hydro’s proposed revised definitions are attached as
20 appendices to this Exhibit 5.

⁸ Ibid., page 122.

NEWFOUNDLAND AND LABRADOR HYDRO
Isolated Systems Supply Cost Variance Deferral Account

This account shall be charged or credited with the amount by which Hydro's Isolated Systems Supply Cost Variance exceeds the Supply Cost Variance Threshold in a calendar year.

The ***Isolated Systems Supply Cost Variance*** will be determined by the following formula:

$$A \times (B-C)$$

Where:

A = Total actual supply produced and purchased (kWh) on Hydro's isolated systems.

B = (Total actual cost of No. 2 fuel used to provide energy plus the total actual cost of purchases) divided by the total of the (actual kWh production and the actual kWh purchases) in \$/kWh.

C = (Total Test Year cost of No. 2 fuel used to provide energy plus the total Test Year cost of purchases) divided by the (total of the Test Year kWh production and the Test Year kWh purchases) in \$/kWh.

The ***Supply Cost Variance Threshold*** equals \pm \$500,000 in a calendar year.

Disposition of any Balance in this Account

Hydro shall file an Application for the disposition of any balance in this account with the Board no later than the 31st day of March each year. This Application shall detail the proposed method of collection or refund and from which customer class(s), and the efforts made by Hydro during the proceeding year to minimize costs on the Isolated systems.

**NEWFOUNDLAND AND LABRADOR HYDRO
Energy Supply Cost Variance Deferral Account**

This account shall be charged or credited with the Energy Supply cost variance incurred by Hydro on the Island Interconnected System that is in excess of the Cost Variance Threshold in the calendar year.

Variations resulting from both the price and volume of the following thermal generation sources shall be charged or credited to this account:

- Holyrood Combustion Turbine;
- Hardwoods Gas Turbine;
- Stephenville Gas Turbine;
- St. Anthony Diesel Plant; and
- Hawkes Bay Diesel Plant.

Variations resulting from the volume of the following power purchases shall be charged or credited to this account:

- Nalcor Exploits;
- Star Lake;
- Rattle Brook;
- CBPP Cogeneration;
- St. Lawrence wind; and
- Fermeuse wind.

Energy Supply costs will be determined by the following formula:

$$A + B + C$$

A = Test Year Thermal Generation Variances resulting from both price and volume;

Where:

$$A = (\text{Actual Thermal Generation Cost} - \text{Test Year Thermal Generation Cost})$$

B = Test Year Power Purchase Variances resulting from volume;

Where:

$$B = (\text{Actual kWh Purchases} - \text{Test Year kWh Purchases}) \times (\text{Test Year Purchase Cost in } \$/\text{kWh})$$

C = Fuel costs or savings resulting from the variance in generation at the Holyrood Thermal Generating Facility (Holyrood TGS);

Where:

$$C = D/E \times F$$

D = Holyrood TGS Test Year average annual fuel cost per barrel;

E = Test Year fuel conversion factor (kWh/bbl); and

F = $\frac{[(\text{Actual kWh Thermal Generation} + \text{Actual kWh Power Purchases}) - (\text{Test Year kWh Thermal Generation} + \text{Test Year kWh Power Purchases})]}{\text{Test Year kWh Thermal Generation} + \text{Test Year kWh Power Purchases}}$ for all defined sources.

The **Cost Variance Threshold** equals $\pm\$500,000$ in a calendar year.

Disposition of any Balance in this Account

Hydro shall file an Application for the disposition of any balance in this account with the Board no later than the 31st day of March each year.

NEWFOUNDLAND AND LABRADOR HYDRO
Conservation and Demand Management Cost Deferral Account

Conservation and Demand Management (CDM) Cost Deferral Account

The account shall be charged with the costs incurred in implementing the CDM Program Portfolio but shall exclude CDM Program Costs associated with customers on the Labrador Interconnected System.

The costs include the CDM Program Portfolio costs incurred by Hydro for: detailed program development, promotional materials, advertising, pre and post customer installation checks, processing applications and incentives, training of employees and trade allies, and program evaluation costs.

This account shall also be charged the costs for major CDM studies such as comprehensive customer end use surveys and CDM potential studies that cost greater than \$100,000.

This account will include Hydro's program expenditures for 2009 to 2015 which received Board approval for deferral.

Disposition of any Balance in this Account

Balances in the account shall be maintained separately for the Island Interconnected and Other Systems. This account will maintain a linkage of all costs recorded in the account to the year the cost was incurred.

The account balances as at December 31 each year shall be recovered over a period of (7) years using a CDM Cost Recovery Adjustment.

Recovery of annual amortizations of costs in this account shall be through an annual application to the Board.

**NEWFOUNDLAND AND LABRADOR HYDRO
Holyrood Conversion Rate Deferral Account**

This account shall be charged or credited with the Conversion Rate Cost Variance incurred by Hydro on the Island Interconnected system, in excess of the Cost Variance Threshold in the calendar year, which results from variations from the Test Year fuel conversion rate at the Holyrood thermal generating station.

The **Conversion Rate Cost Variance** will be determined monthly by the following formula:

$$(A - B) \times C$$

A = Actual quantity of No. 6 fuel consumed (bbl);

B = Calculated quantity of No. 6 fuel consumed using the Cost of Service fuel conversion rate (bbl); and

C = Test Year Cost of Service No. 6 fuel cost (\$/bbl).

Where:

$$B = D/E$$

D = Actual net Holyrood production (kWh); and

E = Test Year Cost of Service fuel conversion rate (kWh/bbl).

The **Cost Variance Threshold** equals $\pm\$500,000$ in a calendar year.

Disposition of any Balance in this Account

Hydro shall file an Application for the disposition of any balance in this account with the Board no later than the 31st day of March each year.

Exhibit 6
GRA Compliance Report
2015 RSP Report 2007 Test Year

Newfoundland and Labrador Hydro
January 2017

Rate Stabilization Plan Report

December 31, 2015

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro’s utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro’s Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was approved by Board Order No. P.U. 8 (2007) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.529% per annum. Holyrood's operating efficiency is set, for RSP purposes, at 630 kWh/barrel regardless of the actual conversion rate experienced.

The 2015 RSP balances have been completed on an interim basis using the 2007 cost of service inputs. Upon receipt of the final Board Order of the Amended 2013 GRA, Hydro assumes that the 2015 RSP balances will be re-calculated using the approved 2015 cost of service inputs. The difference between the final RSP balances for 2015 and the 2015 interim balances as reflected in this report will be recorded as an adjustment in computing the 2016 RSP balances.

	2007 Test Year Cost of Service			
	Net Hydraulic	No. 6 Fuel	Utility	Industrial
	Production	Cost	Load	Load
	(kWh)	(\$Can/bbl.)	(kWh)	(kWh)
January	427,100,000	54.17	574,800,000	78,300,000
February	388,680,000	54.73	518,600,000	70,900,000
March	415,080,000	55.46	524,700,000	76,600,000
April	355,520,000	55.46	429,200,000	75,600,000
May	324,240,000	55.46	358,700,000	69,500,000
June	328,500,000	54.49	298,400,000	73,800,000
July	386,790,000	54.49	293,400,000	77,500,000
August	379,140,000	54.49	287,000,000	77,900,000
September	363,560,000	54.49	297,700,000	73,000,000
October	340,510,000	54.56	360,200,000	74,400,000
November	364,390,000	54.56	439,300,000	74,100,000
December	398,560,000	58.98	543,800,000	72,700,000
Total	4,472,070,000		4,925,800,000	894,300,000

**Rate Stabilization Plan
Plan Highlights
December 31, 2015**

	Actual	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,828.2 GWh	4,472.1 GWh	356.1 GWh	\$ (31,918,067)	Page 4
No 6 fuel cost - Current month	\$ 57.40	\$ 58.98	\$ (1.58)	\$ 28,640,114	Page 5
Year-to-date customer load - Utility	6,072.1 GWh	4,925.8 GWh	1,146.3 GWh	\$ (518,773)	Page 8
Year-to-date customer load - Industrial	498. GWh	894.3 GWh	-396.3 GWh	\$ (19,336,644)	Page 10
				<u>\$ (23,133,370)</u>	
Rural rates					
Rural Rate Alteration (RRA) ⁽¹⁾	\$ (4,120,952)				Page 9
Less : RRA to utility customer	<u>\$ (3,671,767)</u>				
RRA to Labrador interconnected	(449,185)				
Fuel variance to Labrador interconnected	<u>\$ 211,140</u>				Page 6
Net Labrador interconnected	<u>\$ (238,045)</u>				
Current plan summary					
One year recovery					
Due (to) from utility customer	\$ (70,887,147)				Page 9
Due (to) from Industrial customers	<u>\$ 474,171</u>				Page 11
Sub total	(70,412,976)				
Four year recovery					
Hydraulic balance	<u>\$ (56,457,529)</u>				Page 4
Segregated Load Variation					
Utility Customer	\$ (2,472,747)				Page 12
Industrial Customer	<u>\$ (58,724,691)</u>				
Sub Total	\$ (61,197,438)				
Utility RSP Surplus	\$ (133,350,561)				Page 13
Industrial RSP Surplus	<u>\$ (3,129,977)</u>				Page 14
Total plan balance	<u>\$ (324,548,481)</u>				

⁽¹⁾ Beginning January 2011 until June 30, 2015, the RRA includes a monthly credit of \$98,295. This amount relates to the phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations which received final approval in Order No. P.U. 33 (2010) issued December 15, 2010.

**Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2015**

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) (A - B)	D Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	E Net Hydraulic Production Variation (\$) (C / O ⁽¹⁾ x D)	F Financing Charges (\$)	G Cumulative Variation and Financing Charges (\$) (E + F) (to page 12)
Opening balance							(43,358,639)
January	427,100,000	552,847,228	(125,747,228)	54.17	(10,812,266)	(263,079)	(54,433,984)
February	388,680,000	499,182,662	(110,502,662)	54.73	(9,599,700)	(330,278)	(64,363,962)
March	415,080,000	541,731,013	(126,651,013)	55.46	(11,149,310)	(390,528)	(75,903,800)
April	355,520,000	465,330,843	(109,810,843)	55.46	(9,666,840)	(460,546)	(86,031,186)
May	324,240,000	330,671,190	(6,431,190)	55.46	(566,149)	(521,994)	(87,119,329)
June	328,500,000	291,577,047	36,922,953	54.49	3,193,542	(528,597)	(84,454,384)
July	386,790,000	282,942,801	103,847,199	54.49	8,981,959	(512,427)	(75,984,852)
August	379,140,000	293,744,218	85,395,782	54.49	7,386,057	(461,038)	(69,059,833)
September	363,560,000	295,840,616	67,719,384	54.49	5,857,189	(419,021)	(63,621,665)
October	340,510,000	371,284,575	(30,774,575)	54.56	(2,665,176)	(386,024)	(66,672,865)
November	364,390,000	398,589,489	(34,199,489)	54.56	(2,961,784)	(404,538)	(70,039,187)
December	398,560,000	504,474,230	(105,914,230)	58.98	(9,915,589)	(424,963)	(80,379,739)
	<u>4,472,070,000</u>	<u>4,828,215,912</u>	<u>(356,145,912)</u>		<u>(31,918,067)</u>	<u>(5,103,033)</u>	<u>(80,379,739)</u>
Hydraulic Allocation ⁽²⁾					18,819,177	5,103,033	23,922,210
Hydraulic variation at year end					<u>(13,098,890)</u>	-	<u>(56,457,529)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows:

**Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2015**

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel (bbl.)	Actual Quantity No. 6 Fuel for Non-Firm Sales (bbl.)	Net Quantity No. 6 Fuel (bbl.)	Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	Actual Average No. 6 Fuel Cost (\$Can/bbl.)	Cost Variance (\$Can/bbl.)	No.6 Fuel Variation (\$)
			(A - B)			(E - D)	(C X F) (to page 6)
January	371,046	0	371,046	54.17	78.04	23.87	8,856,879
February	312,401	0	312,401	54.73	69.30	14.57	4,551,686
March	311,001	0	311,001	55.46	69.51	14.05	4,369,560
April	203,774	0	203,774	55.46	66.49	11.03	2,247,631
May	166,934	0	166,934	55.46	65.90	10.44	1,742,792
June	93,931	0	93,931	54.49	65.90	11.41	1,071,756
July	86,425	0	86,425	54.49	68.64	14.15	1,222,917
August	38,312	0	38,312	54.49	68.94	14.45	553,603
September	74,620	0	74,620	54.49	68.94	14.45	1,078,256
October	134,146	0	134,146	54.56	65.46	10.90	1,462,188
November	287,636	0	287,636	54.56	61.60	7.04	2,024,959
December	343,110	0	343,110	58.98	57.40	(1.58)	(542,113)
	<u>2,423,337</u>	<u>0</u>	<u>2,423,337</u>	55.47	67.21	11.74	<u>28,640,114</u>

**Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
December 31, 2015**

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date			Year-to-Date Fuel Variance				Reallocate Rural Island Customers ⁽¹⁾		
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				(A+B+C)	(A/D X H)	(B/D X H)	(C/D X H)		(G X 89.10%)	(G X 10.90%)
					(to page 7)			(from page 5)	(to page 7)	
January	5,890,897,269	402,932,390	463,594,915	6,757,424,575	7,721,132	528,119	607,628	8,856,879	541,397	66,231
February	5,891,118,830	404,174,993	464,095,981	6,759,389,805	11,686,181	801,760	920,624	13,408,565	820,276	100,348
March	5,898,943,058	413,601,854	464,255,448	6,776,800,361	15,475,171	1,085,035	1,217,919	17,778,125	1,085,166	132,753
April	5,925,788,958	423,885,478	464,507,117	6,814,181,554	17,414,917	1,245,730	1,365,109	20,025,756	1,216,312	148,797
May	5,887,164,744	433,252,252	467,460,216	6,787,877,213	18,879,986	1,389,429	1,499,133	21,768,548	1,335,728	163,405
June	5,902,880,945	449,298,904	467,463,782	6,819,643,631	19,769,889	1,504,789	1,565,626	22,840,304	1,394,973	170,653
July	5,925,549,955	454,301,524	469,468,501	6,849,319,980	20,817,807	1,596,065	1,649,349	24,063,221	1,469,570	179,779
August	5,926,329,343	462,566,991	470,341,009	6,859,237,343	21,268,750	1,660,087	1,687,987	24,616,824	1,503,996	183,991
September	5,934,327,683	483,366,652	471,659,293	6,889,353,628	22,133,139	1,802,803	1,759,138	25,695,080	1,567,392	191,746
October	5,957,483,772	486,574,251	474,490,824	6,918,548,847	23,384,815	1,909,942	1,862,511	27,157,268	1,659,497	203,014
November	6,000,240,213	489,475,921	475,206,772	6,964,922,906	25,140,317	2,050,848	1,991,062	29,182,227	1,774,036	217,026
December	6,072,134,676	497,961,116	476,600,930	7,046,696,722	24,679,170	2,023,879	1,937,065	28,640,114	1,725,925	211,140

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

**Rate Stabilization Plan
Allocation of Fuel Variance - Monthly
December 31, 2015**

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date Activity	Current Month Activity ⁽¹⁾	Year-to-Date Activity	Current Month Activity ⁽¹⁾	Activity for the month	Year-to-Date Activity	Current Month Activity ⁽¹⁾
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 6)		(from page 6)		(B + D) (to page 10)	(from page 6)	(to page 11)
January	7,721,132	7,721,132	541,397	541,397	8,262,529	528,119	528,119
February	11,686,181	3,965,049	820,276	278,879	4,243,928	801,760	273,641
March	15,475,171	3,788,990	1,085,166	264,890	4,053,880	1,085,035	283,275
April	17,414,917	1,939,746	1,216,312	131,146	2,070,892	1,245,730	160,695
May	18,879,986	1,465,069	1,335,728	119,416	1,584,485	1,389,429	143,699
June	19,769,889	889,903	1,394,973	59,245	949,148	1,504,789	115,360
July	20,817,807	1,047,918	1,469,570	74,597	1,122,515	1,596,065	91,276
August	21,268,750	450,943	1,503,996	34,426	485,369	1,660,087	64,022
September	22,133,139	864,389	1,567,392	63,396	927,785	1,802,803	142,716
October	23,384,815	1,251,676	1,659,497	92,105	1,343,781	1,909,942	107,139
November	25,140,317	1,755,502	1,774,036	114,539	1,870,041	2,050,848	140,906
December	24,679,170	(461,147)	1,725,925	(48,111)	(509,258)	2,023,879	(26,969)
		<u>24,679,170</u>		<u>1,725,925</u>	<u>26,405,095</u>		<u>2,023,879</u>

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Rate Stabilization Plan
Load Variation - Utility
December 31, 2015

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy					Secondary Energy					
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	(\$Can/bbl.)	(\$/kWh)	(\$)	(kWh)	(kWh)	(\$/kWh)	(\$)	(\$)
			(B - A)			C x {(D/O ¹) - E}				(G - H) x I	(F + J)
											(to page 10)
January	574,800,000	740,593,181	165,793,181	54.17	0.08805	(342,508)	0	0	0.00841	0	(342,508)
February	518,600,000	668,359,635	149,759,635	54.73	0.08805	(176,265)	0	0	0.00841	0	(176,265)
March	524,700,000	712,055,312	187,355,312	55.46	0.08805	(3,420)	0	0	0.00841	0	(3,420)
April	429,200,000	569,863,970	140,663,970	55.46	0.08805	(2,568)	0	0	0.00841	0	(2,568)
May	358,700,000	419,451,865	60,751,865	55.46	0.08805	(1,109)	0	0	0.00841	0	(1,109)
June	298,400,000	344,343,122	45,943,122	54.49	0.08805	(71,576)	0	0	0.00841	0	(71,576)
July	293,400,000	326,065,882	32,665,882	54.49	0.09509	(280,859)	0	0	0.00908	0	(280,859)
August	287,000,000	301,205,728	14,205,728	54.49	0.09509	(122,140)	0	0	0.00908	0	(122,140)
September	297,700,000	323,234,312	25,534,312	54.49	0.09509	(219,542)	0	0	0.00908	0	(219,542)
October	360,200,000	424,944,800	64,744,800	54.56	0.09509	(549,478)	0	0	0.00908	0	(549,478)
November	439,300,000	550,931,186	111,631,186	54.56	0.09509	(947,394)	0	0	0.00908	0	(947,394)
December	543,800,000	686,794,782	142,994,782	58.98	0.09509	(210,339)	0	4,290,901	0.00908	(38,961)	(249,300)
	<u>4,925,800,000</u>	<u>6,067,843,775</u>	<u>1,142,043,775</u>			<u>(2,927,198)</u>	<u>0</u>	<u>4,290,901</u>		<u>(38,961)</u>	<u>(2,966,159)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

**Rate Stabilization Plan
Summary of Utility Customer
December 31, 2015**

	A	B	C	D	E	F	H
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration ⁽¹⁾	Subtotal Monthly Variances	Financing Charges	Adjustment ⁽²⁾	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)	(from page 7)		(A + B + C)			(to page 12)
Opening Balance							(39,004,557)
January		8,262,529	(1,089,741)	7,172,788	(236,660)	(7,220,784)	(39,289,213)
February		4,243,928	(1,026,064)	3,217,864	(238,387)	(6,516,506)	(42,826,242)
March		4,053,880	(994,211)	3,059,669	(259,848)	(6,942,539)	(46,968,960)
April		2,070,892	(857,580)	1,213,312	(284,984)	(5,556,174)	(51,596,806)
May		1,584,485	(785,246)	799,239	(313,064)	(4,089,656)	(55,200,287)
June		949,148	(632,878)	316,270	(334,928)	(3,357,345)	(58,576,290)
July		1,122,515	(243,708)	878,807	(355,412)	596,701	(57,456,194)
August		485,369	415,605	900,974	(348,615)	551,206	(56,352,629)
September		927,785	373,879	1,301,664	(341,920)	591,519	(54,801,366)
October		1,343,781	450,065	1,793,846	(332,507)	777,649	(52,562,378)
November		1,870,041	185,909	2,055,950	(318,922)	1,008,204	(49,817,146)
December		(509,258)	532,203	22,945	(302,266)	1,264,687	(48,831,780)
Year to date		26,405,095	(3,671,767)	22,733,328	(3,667,513)	(28,893,038)	(9,827,223)
Hydraulic allocation (from page 4)							(22,055,367)
Total		26,405,095	(3,671,767)	22,733,328	(3,667,513)	(28,893,038)	(70,887,147)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for the Utility was 0.975 cents per kwh effective July 1, 2014 to June 30, 2015 and is 0.183 cents per kwh effective July 1, 2015 to June 30, 2016.

**Rate Stabilization Plan
Load Variation - Industrial
December 31, 2015**

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh) (B - A)	Cost of Service No. 6 Fuel Cost (\$)	Firm Energy Rate (\$/kWh)	Load Variation (\$) C x {(D/O¹) - E} (to page 11)
January	78,300,000	39,850,167	(38,449,833)	54.17	0.03676	(1,892,659)
February	70,900,000	32,931,012	(37,968,988)	54.73	0.03676	(1,902,740)
March	76,600,000	43,047,754	(33,552,246)	55.46	0.03676	(1,720,282)
April	75,600,000	41,422,843	(34,177,157)	55.46	0.03676	(1,752,323)
May	69,500,000	41,350,135	(28,149,865)	55.46	0.03676	(1,443,293)
June	73,800,000	42,523,308	(31,276,692)	54.49	0.03676	(1,555,454)
July	77,500,000	38,774,560	(38,725,440)	54.49	0.04044	(1,783,386)
August	77,900,000	42,073,551	(35,826,449)	54.49	0.04044	(1,649,882)
September	73,000,000	41,046,989	(31,953,011)	54.49	0.04044	(1,471,502)
October	74,400,000	43,593,720	(30,806,280)	54.56	0.04044	(1,422,116)
November	74,100,000	44,748,443	(29,351,557)	54.56	0.04044	(1,354,961)
December	72,700,000	46,598,634	(26,101,366)	58.98	0.04044	(1,388,046)
	<u>894,300,000</u>	<u>497,961,116</u>	<u>(396,338,884)</u>			<u>(19,336,644)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

**Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2015**

	A	B	C	D	E	F	
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment ⁽¹⁾	Cumulative Net Balance	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
	(from page 9)	(from page 7)	(A + B)			(to page 12)	
Opening Balance						6,774,833	
January		528,119	528,119	41,106	(6,774,833)	569,225	
February		273,641	273,641	3,454	0	846,320	
March		283,275	283,275	5,135	0	1,134,730	
April		160,695	160,695	6,885	0	1,302,310	
May		143,699	143,699	7,902	0	1,453,911	
June		115,360	115,360	8,822	0	1,578,093	
July		91,276	91,276	9,575	0	1,678,944	
August		64,022	64,022	10,187	0	1,753,153	
September		142,716	142,716	10,637	0	1,906,506	
October		107,139	107,139	11,568	0	2,025,213	
November		140,906	140,906	12,288	0	2,178,407	
December		(26,969)	(26,969)	13,217	0	2,164,655	
Year to date	0	2,023,879	2,023,879	140,776	(6,774,833)	(4,610,178)	2,164,655
Hydraulic allocation (from page 4)						(1,690,484)	(1,690,484)
							0
Total	0	2,023,879	2,023,879	140,776	(6,774,833)	474,171	474,171

(1) Per Board Order No. P.U. 17(2015), the Industrial Customers RSP surplus is used to fund the closing 2014 Industrial Customer RSP balance of \$6,774,833. For presentation purposes, the adjustment has been made in January. The adjustment does not result in a change to the total RSP balance.

**Rate Stabilization Plan
Load Variation January - December 2014
December 31, 2015**

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date ⁽¹⁾
	Load Variation	Financing Charges	Total To Date	Load Variation	Financing Charges	Total To Date	Total To Date ⁽¹⁾
		(\$)	(\$) (A + B)		(\$)	(\$) (D + E)	(\$) (C + F)
	(from page 8)			(from page 9)			(to page 15)
Opening Balance			519,908			(35,979,573)	(35,459,665)
January	(342,508)	3,155	180,555	(1,892,659)	(218,306)	(38,090,538)	(37,909,983)
February	(176,265)	1,096	5,386	(1,902,740)	(231,114)	(40,224,392)	(40,219,006)
March	(3,420)	33	1,999	(1,720,282)	(244,061)	(42,188,735)	(42,186,736)
April	(2,568)	12	(557)	(1,752,323)	(255,980)	(44,197,038)	(44,197,595)
May	(1,109)	(3)	(1,669)	(1,443,293)	(268,166)	(45,908,497)	(45,910,166)
June	(71,576)	(10)	(73,255)	(1,555,454)	(278,550)	(47,742,501)	(47,815,756)
July	(280,859)	(444)	(354,558)	(1,783,386)	(289,678)	(49,815,565)	(50,170,123)
August	(122,140)	(2,151)	(478,849)	(1,649,882)	(302,256)	(51,767,703)	(52,246,552)
September	(219,542)	(2,905)	(701,296)	(1,471,502)	(314,101)	(53,553,306)	(54,254,602)
October	(549,478)	(4,255)	(1,255,029)	(1,422,116)	(324,935)	(55,300,357)	(56,555,386)
November	(947,394)	(7,615)	(2,210,038)	(1,354,961)	(335,535)	(56,990,853)	(59,200,891)
December	(249,300)	(13,409)	(2,472,747)	(1,388,046)	(345,792)	(58,724,691)	(61,197,438)
Total	(2,966,159)	(26,496)	(2,472,747)	(19,336,644)	(3,408,474)	(58,724,691)	(61,197,438)

(1) Per Board Order No. P.U. 29(2013), the load variation from the Industrial and Utility Customers as of September 1, 2013 be held in a separate account until its disposition.

**Rate Stabilization Plan
Utility RSP Surplus
December 31, 2015**

	A	B	C	D
	Industrial Customer Adjustment	Utility Payout	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)
	(from page 10)			(to page 15)
Opening Balance				(124,013,626)
January			(752,453)	(124,766,079)
February			(757,018)	(125,523,097)
March			(761,611)	(126,284,708)
April			(766,232)	(127,050,940)
May			(770,882)	(127,821,822)
June			(775,559)	(128,597,381)
July			(780,265)	(129,377,646)
August			(784,999)	(130,162,645)
September			(789,762)	(130,952,407)
October			(794,554)	(131,746,961)
November			(799,375)	(132,546,336)
December			(804,225)	(133,350,561)
Year to date	-	-	(9,336,935)	(9,336,935)
Total			(9,336,935)	(133,350,561)

**Rate Stabilization Plan
Industrial RSP Surplus
December 31, 2015**

	A	B	C	D	E
	Industrial Surplus ⁽²⁾	Teck Allocation ⁽¹⁾	Industrial Drawdown ⁽³⁾	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 11)				(to page 15)
Opening Balance					(10,892,683)
January	6,774,833	66,034		(66,091)	(4,117,907)
February		53,454		(24,985)	(4,089,438)
March		64,516		(24,813)	(4,049,735)
April		59,311		(24,572)	(4,014,996)
May		56,094		(24,361)	(3,983,263)
June		53,528		(24,168)	(3,953,903)
July		4,795	140,256	(23,990)	(3,832,842)
August		7,686	150,418	(23,256)	(3,697,994)
September		5,893	147,415	(22,438)	(3,567,124)
October		6,289	156,317	(21,644)	(3,426,162)
November		6,067	159,181	(20,788)	(3,281,702)
December		7,479	164,158	(19,912)	(3,129,977)
Year to date	6,774,833	391,146	917,745	(321,018)	7,762,706
Total	6,774,833	391,146	917,745	(321,018)	(3,129,977)

(1) Per Board Order No. P.U. 29(2013), the RSP drawdown adjustment rate for Teck Resources is 1.111 cents per kwh effective September 1, 2013. Effective July 1, 2015 the RSP drawdown adjustment rate for Teck Resources is 1.141 cents per kwh.

(2) Per Board Order No. P.U. 17(2015), the Industrial Customers RSP Surplus is used to fund the closing 2014 Industrial Customer RSP balance of \$6,774,833. For presentation purposes, the adjustment has been made in January. The adjustment does not result in a change to the total RSP balance.

(3) Drawdown of Industrial Customers RSP Surplus balance effective July 1, 2015 using RSP Adjustment rates for all Industrial Customers are 0.490 cents per kwh and 0.269 cents per kwh as approved in Board Order No. P.U. 21(2015).

**Rate Stabilization Plan
Overall Summary
December 31, 2015**

	A	B	C	D	E	F	G
	Hydraulic Balance	Utility Balance	Industrial Balance	Segregated Load Balance	Utility RSP Surplus	Industrial RSP Surplus	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 4)	(from page 10)	(from page 11)	(from page 12)	(from page 13)	(from page 14)	(A + B + C + D + E + F)
Opening Balance	(43,358,639)	(39,004,557)	6,774,833	(35,459,665)	(124,013,626)	(10,892,683)	(245,954,337)
January	(54,433,984)	(39,289,213)	569,225	(37,909,983)	(124,766,079)	(4,117,907)	(259,947,941)
February	(64,363,962)	(42,826,242)	846,320	(40,219,006)	(125,523,097)	(4,089,438)	(276,175,425)
March	(75,903,800)	(46,968,960)	1,134,730	(42,186,736)	(126,284,708)	(4,049,735)	(294,259,209)
April	(86,031,186)	(51,596,806)	1,302,310	(44,197,595)	(127,050,940)	(4,014,996)	(311,589,213)
May	(87,119,329)	(55,200,287)	1,453,911	(45,910,166)	(127,821,822)	(3,983,263)	(318,580,956)
June	(84,454,384)	(58,576,290)	1,578,093	(47,815,756)	(128,597,381)	(3,953,903)	(321,819,621)
July	(75,984,852)	(57,456,194)	1,678,944	(50,170,123)	(129,377,646)	(3,832,842)	(315,142,713)
August	(69,059,833)	(56,352,629)	1,753,153	(52,246,552)	(130,162,645)	(3,697,994)	(309,766,500)
September	(63,621,665)	(54,801,366)	1,906,506	(54,254,602)	(130,952,407)	(3,567,124)	(305,290,658)
October	(66,672,865)	(52,562,378)	2,025,213	(56,555,386)	(131,746,961)	(3,426,162)	(308,938,539)
November	(70,039,187)	(49,817,146)	2,178,407	(59,200,891)	(132,546,336)	(3,281,702)	(312,706,855)
December	(56,457,529)	(70,887,147)	474,171	(61,197,438)	(133,350,561)	(3,129,977)	(324,548,481)

Exhibit 7
GRA Compliance Report
2015 RSP Report 2015 Test Year

Newfoundland and Labrador Hydro
January 2017

**Rate Stabilization Plan Report
December 31, 2015**

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The 2015 Test Year Cost of Service Study is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 6.67% per annum. Holyrood's operating efficiency is set, for RSP purposes, at 618 kWh/barrel regardless of the actual conversion rate experienced.

	2015 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	(\$Can/bbl.)	(kWh)	(kWh)
January	503,640,000	54.17	729,300,000	49,000,000
February	457,830,000	54.73	662,500,000	45,900,000
March	438,830,000	55.46	657,400,000	51,200,000
April	370,790,000	55.46	514,600,000	50,500,000
May	312,990,000	55.46	423,000,000	53,500,000
June	323,000,000	54.49	348,100,000	51,700,000
July	330,220,000	54.49	314,700,000	51,900,000
August	330,170,000	54.49	314,500,000	53,100,000
September	326,980,000	54.49	337,300,000	38,300,000
October	348,360,000	54.56	416,700,000	58,800,000
November	400,160,000	54.56	526,000,000	57,800,000
December	460,598,000	58.98	680,000,000	59,700,000
Total	4,603,568,000		5,924,100,000	621,400,000

**Rate Stabilization Plan
Plan Highlights
December 31, 2015**

	Forecast	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,828.2 GWh	4,603.6 GWh	224.6 GWh	\$ (20,456,974)	Page 4
No 6 fuel cost - Current month	\$ 57.40	\$ 58.98	\$ (1.58)	\$ 28,640,114	Page 5
Year-to-date customer load - Utility	6,072.1 GWh	5,924.1 GWh	148.0 GWh	\$ (1,487)	Page 8
Year-to-date customer load - Industrial	498. GWh	621.4 GWh	-123.4 GWh	\$ (6,260,007)	Page 10
			<u>\$</u>	<u>1,921,646</u>	
Rural rates					
Rural Rate Alteration (RRA) ⁽¹⁾	\$ 2,234,315				
Less : RRA to utility customer	<u>\$ 1,565,795</u>				Page 9
RRA to Labrador interconnected	668,520				
Fuel variance to Labrador interconnected	<u>\$ 84,262</u>				Page 6
Net Labrador interconnected	<u><u>\$ 752,782</u></u>				
Current plan summary					
One year recovery					
Due (to) from utility customer	\$ (60,639,470)				Page 9
Due (to) from Industrial customers	<u>\$ 703,118</u>				Page 11
Sub total	(59,936,352)				
Four year recovery					
Hydraulic balance	<u>\$ (47,861,710)</u>				Page 4
Segregated Load Variation					
Utility Customer	\$ (41,416,540)				Page 12
Industrial Customer	<u>\$ (2,521,405)</u>				
Sub Total	\$ (43,937,945)				
Utility RSP Surplus	\$ (132,284,835)				Page 13
Industrial RSP Surplus	<u>\$ (3,054,362)</u>				Page 14
Total plan balance	<u><u>\$ (287,075,204)</u></u>				

**Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2015**

	A Cost of Service Net Hydraulic Production (kWh)	B Forecast Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) (A - B)	D Cost of Service No. 6 Fuel Cost (\$/Can/bbl.)	E Net Hydraulic Production Variation (\$) (C / O ⁽¹⁾ X D)	F Financing Charges (\$)	G Cumulative Variation and Financing Charges (\$) (E + F) (to page 12)
Opening balance							(43,358,639)
January	503,640,000	552,847,228	(49,207,228)	54.17	(4,313,197)	(233,920)	(47,905,756)
February	457,830,000	499,182,662	(41,352,662)	54.73	(3,662,186)	(258,452)	(51,826,394)
March	438,830,000	541,731,013	(102,901,013)	55.46	(9,234,450)	(279,603)	(61,340,447)
April	370,790,000	465,330,843	(94,540,843)	55.46	(8,484,199)	(330,932)	(70,155,578)
May	312,990,000	330,671,190	(17,681,190)	55.46	(1,586,729)	(378,489)	(72,120,796)
June	323,000,000	291,577,047	31,422,953	54.49	2,770,610	(389,092)	(69,739,278)
July	330,220,000	282,942,801	47,277,199	54.49	4,168,503	(376,243)	(65,947,018)
August	330,170,000	293,744,218	36,425,782	54.49	3,211,717	(355,784)	(63,091,085)
September	326,980,000	295,840,616	31,139,384	54.49	2,745,607	(340,376)	(60,685,854)
October	348,360,000	371,284,575	(22,924,575)	54.56	(2,023,891)	(327,400)	(63,037,145)
November	400,160,000	398,589,489	1,570,511	54.56	138,652	(340,085)	(63,238,578)
December	460,598,000	504,474,230	(43,876,230)	58.98	(4,187,411)	(341,172)	(67,767,161)
	4,603,568,000	4,828,215,912	(224,647,912)		(20,456,974)	(3,951,548)	(67,767,161)
Hydraulic Allocation ⁽²⁾					15,953,903	3,951,548	19,905,451
Hydraulic variation at year end					(4,503,071)	-	(47,861,710)

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows:

**Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2015**

	A	B	C	D	E	F	G
	Forecast Quantity No. 6 Fuel (bbl.)	Forecast Quantity No. 6 Fuel for Non-Firm Sales (bbl.)	Net Quantity No. 6 Fuel (bbl.) (A - B)	Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	Forecast Average No. 6 Fuel Cost (\$Can/bbl.)	Cost Variance (\$Can/bbl.) (E - D)	No.6 Fuel Variation (\$) (C X F) (to page 6)
January	371,046	0	371,046	54.17	78.04	23.87	8,856,879
February	312,401	0	312,401	54.73	69.30	14.57	4,551,686
March	311,001	0	311,001	55.46	69.51	14.05	4,369,560
April	203,774	0	203,774	55.46	66.49	11.03	2,247,631
May	166,934	0	166,934	55.46	65.90	10.44	1,742,792
June	93,931	0	93,931	54.49	65.90	11.41	1,071,756
July	86,425	0	86,425	54.49	68.64	14.15	1,222,917
August	38,312	0	38,312	54.49	68.94	14.45	553,603
September	74,620	0	74,620	54.49	68.94	14.45	1,078,256
October	134,146	0	134,146	54.56	65.46	10.90	1,462,188
November	287,636	0	287,636	54.56	61.60	7.04	2,024,959
December	343,110	0	343,110	58.98	57.40	(1.58)	(542,113)
	<u>2,423,337</u>	<u>0</u>	<u>2,423,337</u>	55.53	67.21	11.68	<u>28,640,114</u>

**Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
December 31, 2015**

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date			Year-to-Date Fuel Variance				Reallocate Rural Island Customers ⁽¹⁾		
	Utility	Industrial	Rural Island	Total	Utility	Industrial	Rural Island	Total	Utility	Labrador
	(kWh)	Customers	Customers	(kWh)	(\$)	Customers	Interconnected	(\$)	(\$)	Interconnected
		(kWh)	(kWh)	(A+B+C)	(to page 7)	(\$)	(C/D X H)	(from page 5)	(G X 96.24%)	(G X 3.76%)
						(B/D X H)			(to page 7)	
January	5,890,897,269	402,932,390	463,594,915	6,757,424,575	7,721,132	528,119	607,628	8,856,879	581,196	26,432
February	5,891,118,830	404,174,993	464,095,981	6,759,389,805	11,686,181	801,760	920,624	13,408,565	880,577	40,047
March	5,898,943,058	413,601,854	464,255,448	6,776,800,361	15,475,171	1,085,035	1,217,919	17,778,125	1,164,940	52,979
April	5,925,788,958	423,885,478	464,507,117	6,814,181,554	17,414,917	1,245,730	1,365,109	20,025,756	1,305,727	59,382
May	5,887,164,744	433,252,252	467,460,216	6,787,877,213	18,879,986	1,389,429	1,499,133	21,768,548	1,433,921	65,212
June	5,902,880,945	449,298,904	467,463,782	6,819,643,631	19,769,889	1,504,789	1,565,626	22,840,304	1,497,521	68,105
July	5,925,549,955	454,301,524	469,468,501	6,849,319,980	20,817,807	1,596,065	1,649,349	24,063,221	1,577,602	71,747
August	5,926,329,343	462,566,991	470,341,009	6,859,237,343	21,268,750	1,660,087	1,687,987	24,616,824	1,614,560	73,427
September	5,934,327,683	483,366,652	471,659,293	6,889,353,628	22,133,139	1,802,803	1,759,138	25,695,080	1,682,615	76,523
October	5,957,483,772	486,574,251	474,490,824	6,918,548,847	23,384,815	1,909,942	1,862,511	27,157,268	1,781,492	81,019
November	6,000,240,213	489,475,921	475,206,772	6,964,922,906	25,140,317	2,050,848	1,991,062	29,182,227	1,904,451	86,611
December	6,072,134,676	497,961,116	476,600,930	7,046,696,722	24,679,170	2,023,879	1,937,065	28,640,114	1,852,803	84,262

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 95.65% and 4.35% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

**Rate Stabilization Plan
Allocation of Fuel Variance - Monthly
December 31, 2015**

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date	Current Month	Year-to-Date	Current Month	Activity for	Year-to-Date	Current Month
	Activity	Activity ⁽¹⁾	Activity	Activity ⁽¹⁾	the month	Activity	Activity ⁽¹⁾
	(\$)	(\$)	(\$)	(\$)		(\$)	(\$)
	(from page 6)		(from page 6)		(B + D) (to page 10)	(from page 6)	(to page 11)
January	7,721,132	7,721,132	581,196	581,196	8,302,328	528,119	528,119
February	11,686,181	3,965,049	880,577	299,381	4,264,430	801,760	273,641
March	15,475,171	3,788,990	1,164,940	284,363	4,073,353	1,085,035	283,275
April	17,414,917	1,939,746	1,305,727	140,787	2,080,533	1,245,730	160,695
May	18,879,986	1,465,069	1,433,921	128,194	1,593,263	1,389,429	143,699
June	19,769,889	889,903	1,497,521	63,600	953,503	1,504,789	115,360
July	20,817,807	1,047,918	1,577,602	80,081	1,127,999	1,596,065	91,276
August	21,268,750	450,943	1,614,560	36,958	487,901	1,660,087	64,022
September	22,133,139	864,389	1,682,615	68,055	932,444	1,802,803	142,716
October	23,384,815	1,251,676	1,781,492	98,877	1,350,553	1,909,942	107,139
November	25,140,317	1,755,502	1,904,451	122,959	1,878,461	2,050,848	140,906
December	24,679,170	(461,147)	1,852,803	(51,648)	(512,795)	2,023,879	(26,969)
		<u>24,679,170</u>		<u>1,852,803</u>	<u>26,531,973</u>		<u>2,023,879</u>

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Rate Stabilization Plan
Load Variation - Utility
December 31, 2015

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy					Secondary Energy					
	Cost of Service Sales	Forecast Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Forecast Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	(\$Can/bbl.)	(\$/kWh)	(\$)	(kWh)		(\$/kWh)	(\$)	(\$)
			(B - A)			$C \times \{(D/O^1) - E\}$				(G - H) x I	(F + J)
											(to page 10)
January	729,300,000	740,593,181	11,293,181	54.17	0.08805	(4,475)	0	0	0.00841	0	(4,475)
February	662,500,000	668,359,635	5,859,635	54.73	0.08805	2,988	0	0	0.00841	0	2,988
March	657,400,000	712,055,312	54,655,312	55.46	0.08805	92,428	0	0	0.00841	0	92,428
April	514,600,000	569,863,970	55,263,970	55.46	0.08805	93,457	0	0	0.00841	0	93,457
May	423,000,000	419,451,865	(3,548,135)	55.46	0.08805	(6,000)	0	0	0.00841	0	(6,000)
June	348,100,000	344,343,122	(3,756,878)	54.49	0.08805	(457)	0	0	0.00841	0	(457)
July	314,700,000	326,065,882	11,365,882	54.49	0.09509	(78,635)	0	0	0.00908	0	(78,635)
August	314,500,000	301,205,728	(13,294,272)	54.49	0.09509	91,976	0	0	0.00908	0	91,976
September	337,300,000	323,234,312	(14,065,688)	54.49	0.09509	97,313	0	0	0.00908	0	97,313
October	416,700,000	424,944,800	8,244,800	54.56	0.09509	(56,108)	0	0	0.00908	0	(56,108)
November	526,000,000	550,931,186	24,931,186	54.56	0.09509	(169,662)	0	0	0.00908	0	(169,662)
December	680,000,000	686,794,782	6,794,782	58.98	0.09509	2,357	0	4,290,901	0.00908	(38,961)	(36,604)
	<u>5,924,100,000</u>	<u>6,067,843,775</u>	<u>143,743,775</u>			<u>65,182</u>	<u>0</u>	<u>4,290,901</u>		<u>(38,961)</u>	<u>26,221</u>

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

**Rate Stabilization Plan
Summary of Utility Customer
December 31, 2015**

	A	B	C	D	E	F	H
	Load Variation	Allocation Fuel Variance	Rural Rate Alteration ⁽¹⁾	Monthly Variances	Financing Charges	Adjustment ⁽²⁾	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)	(from page 7)		(A + B + C)			(to page 12)
Opening Balance							(39,004,557)
January	0	8,302,328	0	8,302,328	(210,430)	(7,220,784)	(38,133,443)
February	0	4,264,430	0	4,264,430	(205,730)	(6,516,506)	(40,591,249)
March	0	4,073,353	0	4,073,353	(218,990)	(6,942,539)	(43,679,425)
April	0	2,080,533	0	2,080,533	(235,650)	(5,556,174)	(47,390,716)
May	0	1,593,263	0	1,593,263	(255,673)	(4,089,656)	(50,142,782)
June	0	953,503	0	953,503	(270,520)	(3,357,345)	(52,817,144)
July	0	1,127,999	35,548	1,163,547	(284,948)	597,027	(51,341,518)
August	0	487,901	446,158	934,059	(276,987)	551,508	(50,132,938)
September	0	932,444	401,364	1,333,808	(270,467)	591,842	(48,477,755)
October	0	1,350,553	483,150	1,833,703	(261,537)	778,074	(46,127,515)
November	0	1,878,461	199,575	2,078,036	(248,858)	1,008,755	(43,289,582)
December	0	(512,795)	571,327	58,532	(233,547)	1,265,378	(42,199,219)
Year to date	0	26,531,973	2,137,122	28,669,095	(2,973,337)	(28,890,420)	(3,194,662)
Hydraulic allocation (from page 4)							(18,440,251)
Total	0	26,531,973	2,137,122	28,669,095	(2,973,337)	(28,890,420)	(60,639,470)

- (1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 95.65% and 4.35% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).
- (2) The RSP adjustment rate for the Utility was 0.578 cents per kwh effective July 1, 2015 to June 30, 2016 and is 0.975 cents per kwh effective July 1, 2016 to June 30, 2017.

**Rate Stabilization Plan
Load Variation - Industrial
December 31, 2015**

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Forecast Sales (kWh)	Sales Variance (kWh) (B - A)	Cost of Service No. 6 Fuel Cost (\$)	Energy Rate (\$/kWh)	Load Variation (\$) C x {(D/O¹) - E} (to page 11)
January	49,000,000	39,850,167	(9,149,833)	54.17	0.03676	(465,669)
February	45,900,000	32,931,012	(12,968,988)	54.73	0.03676	(671,792)
March	51,200,000	43,047,754	(8,152,246)	55.46	0.03676	(431,915)
April	50,500,000	41,422,843	(9,077,157)	55.46	0.03676	(480,918)
May	53,500,000	41,350,135	(12,149,865)	55.46	0.03676	(643,713)
June	51,700,000	42,523,308	(9,176,692)	54.49	0.03676	(471,788)
July	51,900,000	38,774,560	(13,125,440)	54.49	0.04044	(626,497)
August	53,100,000	42,073,551	(11,026,449)	54.49	0.04044	(526,309)
September	38,300,000	41,046,989	2,746,989	54.49	0.04044	131,118
October	58,800,000	43,593,720	(15,206,280)	54.56	0.04044	(727,541)
November	57,800,000	44,748,443	(13,051,557)	54.56	0.04044	(624,449)
December	59,700,000	46,598,634	(13,101,366)	58.98	0.04044	(720,534)
	<u>621,400,000</u>	<u>497,961,116</u>	<u>(123,438,884)</u>			<u>(6,260,007)</u>

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

**Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2015**

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	(\$)	(\$)	(\$) (A + B)	(\$)	(\$)	(\$)
	(from page 9)	(from page 7)				(to page 12)
Opening Balance						6,774,833
January	0	528,119	528,119	0	(6,774,833)	528,119
February	0	273,641	273,641	2,849	0	804,609
March	0	283,275	283,275	4,341	0	1,092,225
April	0	160,695	160,695	5,893	0	1,258,813
May	0	143,699	143,699	6,791	0	1,409,303
June	0	115,360	115,360	7,603	0	1,532,266
July	0	91,276	91,276	8,267	0	1,631,809
August	0	64,022	64,022	8,804	0	1,704,635
September	0	142,716	142,716	9,197	0	1,856,548
October	0	107,139	107,139	10,016	0	1,973,703
November	0	140,906	140,906	10,648	0	2,125,257
December	0	(26,969)	(26,969)	11,466	0	2,109,754
Year to date	0	2,023,879	2,023,879	85,875	(6,774,833)	(4,665,079)
Hydraulic allocation (from page 4)						(1,406,636)
Total	0	2,023,879	2,023,879	85,875	(6,774,833)	703,118

**Rate Stabilization Plan
Load Variation January - December 2016
December 31, 2015**

	A			B			C	D			E			F	G
	Load Variation	Financing Charges	Adjustment ⁽²⁾⁽³⁾	Financing Charges	Adjustment ⁽²⁾⁽³⁾	Total To Date		Load Variation	Financing Charges	Adjustment ⁽²⁾⁽³⁾	Total To Date	Total To Date ⁽¹⁾			
	(from page 8)						(from page 9)								
	(\$)			(\$)			(\$)			(\$)			(\$)		
				(A + B)						(D + E)			(C + F)		
													(to page 15)		
Opening Balance						519,908							(35,979,573)		(35,459,665)
January	(4,475)	2,805		2,805		518,238	(465,669)	(194,110)		(659,789)			(36,639,352)		(36,121,114)
February	2,988	2,796		5,784		524,022	(671,792)	(197,669)		(869,484)			(37,508,813)		(36,984,791)
March	92,428	2,827		95,255		619,277	(431,915)	(202,360)		(834,392)			(38,143,088)		(37,523,811)
April	93,457	3,341		96,798		716,075	(480,918)	(205,782)		(917,700)			(38,829,788)		(38,113,713)
May	(6,000)	3,863		2,863		713,938	(643,713)	(209,487)		(923,225)			(39,682,988)		(38,969,050)
June	(457)	3,852		3,395		717,333	(471,788)	(214,090)		(938,113)			(40,368,866)		(39,651,533)
July	(78,635)	3,870		(74,765)		642,568	(626,497)	(217,790)		(864,297)			(41,213,153)		(40,570,585)
August	91,976	3,467		95,443		738,011	(526,309)	(222,345)		(954,654)			(41,961,807)		(41,223,796)
September	97,313	3,982		101,295		839,306	131,118	(226,384)		(925,766)			(42,057,073)		(41,217,767)
October	(56,108)	4,528		(51,580)		787,726	(727,541)	(226,898)		(954,439)			(43,011,512)		(42,223,786)
November	(169,662)	4,250		(165,412)		622,314	(624,449)	(232,047)		(856,496)			(43,868,008)		(43,245,694)
December	(36,604)	3,357	(42,005,607)	(39,247)	(42,005,607)	(41,416,540)	(720,534)	(236,668)	42,303,805	(2,521,405)			(2,521,405)		(43,937,945)
Total	26,221	42,938	(42,005,607)	(16,048)	(42,005,607)	(41,416,540)	(6,260,007)	(2,585,630)	42,303,805	(2,521,405)			(2,521,405)		(43,937,945)

(1) Per Board Order No. P.U. 29(2013), the load variation from the Industrial and Utility Customers as of September 1, be held in a separate account until its disposition.

(2) Per Board Order No. P.U. 49(2016), the cumulative load variation segregated from September 1, 2013 has been reallocated between customer groups based upon energy ratios.

(3) The Load Variation including financing charges initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 95.65% and 4.35% respectively. The Labrador Interconnected amount of \$299,507 is then removed from the plan and written off to net income (loss).

**Rate Stabilization Plan
Utility RSP Surplus
December 31, 2015**

	A	B	C	D
	Industrial Customer (\$)	Utility (\$)	Financing Charges (\$)	Cumulative Balance (\$)
	(from page 10)			(to page 15)
Opening Balance				(124,013,626)
January			(669,054)	(124,682,680)
February			(672,663)	(125,355,343)
March			(676,292)	(126,031,635)
April			(679,941)	(126,711,576)
May			(683,609)	(127,395,185)
June			(687,297)	(128,082,482)
July			(691,005)	(128,773,487)
August			(694,733)	(129,468,220)
September			(698,481)	(130,166,701)
October			(702,249)	(130,868,950)
November			(706,038)	(131,574,988)
December			(709,847)	(132,284,835)
Year to date	-	-	(8,271,209)	(8,271,209)
Total			(8,271,209)	(132,284,835)

**Rate Stabilization Plan
Industrial RSP Surplus
December 31, 2015**

	A	B	C	D	E
	Industrial	Teck	Industrial Drawdown	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 11)		(from page 11)		(to page 15)
Opening Balance					(10,892,683)
January	6,774,833	66,034	-	(22,216)	(4,074,031)
February		53,454	-	(21,979)	(4,042,557)
March		64,516	-	(21,810)	(3,999,850)
April		59,311	-	(21,579)	(3,962,118)
May		56,094	-	(21,376)	(3,927,400)
June		53,528	-	(21,188)	(3,895,061)
July		4,795	140,256	(21,014)	(3,771,023)
August		7,686	150,418	(20,345)	(3,633,265)
September		5,893	147,415	(19,601)	(3,499,558)
October		6,289	156,317	(18,880)	(3,355,833)
November		6,067	159,181	(18,105)	(3,208,689)
December		7,479	164,158	(17,311)	(3,054,362)
Year to date	6,774,833	391,146	917,745	(245,404)	7,838,321
Total	6,774,833	391,146	917,745	(245,404)	(3,054,362)

- (1) Per Board Order No. P.U. 29(2013), the RSP drawdown adjustment rate for Teck Resources is 1.111 cents per kwh effective September 1, 2013. Effective July 1, 2015 the RSP drawdown adjustment rate for Teck Resources is 1.141 cents per kwh.
- (2) Per Board Order No. P.U. 17(2015), the Industrial Customers RSP Surplus is used to fund the closing 2014 Industrial Customer RSP balance of \$6,774,833. For presentation purposes, the adjustment has been made in January.
- (3) Drawdown of Industrial Customers RSP Surplus balance effective July 1, 2015 using RSP Adjustment rates for all Industrial Customers are 0.490 cents per kwh and 0.269 cents per kwh as approved in Board Order No. P.U. 21(2015).

April 2016 Forecast

**Rate Stabilization Plan
Overall Summary
December 31, 2015**

	A	B	C	D	E	F	G
	Hydraulic	Utility	Industrial	Segregated Load Balance	Utility RSP Surplus	Industrial RSP Surplus	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 4)	(from page 10)	(from page 11)	(from page 12)	(from page 13)	(from page 14)	(A + B + C + D + E + F)
Opening Balance	(43,358,639)	(39,004,557)	6,774,833	(35,459,665)	(124,013,626)	(10,892,683)	(245,954,337)
January	(47,905,756)	(38,133,443)	528,119	(36,121,114)	(124,682,680)	(4,074,031)	(250,388,905)
February	(51,826,394)	(40,591,249)	804,609	(36,984,791)	(125,355,343)	(4,042,557)	(257,995,725)
March	(61,340,447)	(43,679,425)	1,092,225	(37,523,811)	(126,031,635)	(3,999,850)	(271,482,943)
April	(70,155,578)	(47,390,716)	1,258,813	(38,113,713)	(126,711,576)	(3,962,118)	(285,074,888)
May	(72,120,796)	(50,142,782)	1,409,303	(38,969,050)	(127,395,185)	(3,927,400)	(291,145,910)
June	(69,739,278)	(52,817,144)	1,532,266	(39,651,533)	(128,082,482)	(3,895,061)	(292,653,232)
July	(65,947,018)	(51,341,518)	1,631,809	(40,570,585)	(128,773,487)	(3,771,023)	(288,771,822)
August	(63,091,085)	(50,132,938)	1,704,635	(41,223,796)	(129,468,220)	(3,633,265)	(285,844,669)
September	(60,685,854)	(48,477,755)	1,856,548	(41,217,767)	(130,166,701)	(3,499,558)	(282,191,087)
October	(63,037,145)	(46,127,515)	1,973,703	(42,223,786)	(130,868,950)	(3,355,833)	(283,639,526)
November	(63,238,578)	(43,289,582)	2,125,257	(43,245,694)	(131,574,988)	(3,208,689)	(282,432,274)
December	(47,861,710)	(60,639,470)	703,118	(43,937,945)	(132,284,835)	(3,054,362)	(287,075,204)

Exhibit 8
GRA Compliance Report
2016 RSP Report 2007 Test Year

Newfoundland and Labrador Hydro
January 2017

**Rate Stabilization Plan Report
December 31, 2016**

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was approved by Board Order No. P.U. 8 (2007) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.529% per annum. Holyrood's operating efficiency is set, for RSP purposes, at 630 kWh/barrel regardless of the actual conversion rate experienced.

The RSP balances have been completed on an interim basis using the 2007 cost of service inputs. Upon receipt of the final Board Order of the Amended 2013 GRA, Hydro assumes that the RSP balances will be re-calculated using the approved 2015 Test Year cost of service inputs. The difference between the revised RSP balances reflecting the approved Test Year interim balances as reflected in this report will be recorded as an adjustment in the RSP.

	2007 Test Year Cost of Service			
	Net Hydraulic	No. 6 Fuel	Utility	Industrial
	Production	Cost	Load	Load
	(kWh)	(\$Can/bbl.)	(kWh)	(kWh)
January	427,100,000	54.17	574,800,000	78,300,000
February	388,680,000	54.73	518,600,000	70,900,000
March	415,080,000	55.46	524,700,000	76,600,000
April	355,520,000	55.46	429,200,000	75,600,000
May	324,240,000	55.46	358,700,000	69,500,000
June	328,500,000	54.49	298,400,000	73,800,000
July	386,790,000	54.49	293,400,000	77,500,000
August	379,140,000	54.49	287,000,000	77,900,000
September	363,560,000	54.49	297,700,000	73,000,000
October	340,510,000	54.56	360,200,000	74,400,000
November	364,390,000	54.56	439,300,000	74,100,000
December	398,560,000	58.98	543,800,000	72,700,000
Total	<u>4,472,070,000</u>		<u>4,925,800,000</u>	<u>894,300,000</u>

**Rate Stabilization Plan
Plan Highlights
December 31, 2016**

	Actual	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,382.0 GWh	4,472.1 GWh	-90.0 GWh	\$ 7,099,993	Page 4
No 6 fuel cost - Current month	\$ 57.64	\$ 58.98	\$ (1.34)	\$ (23,941,411)	Page 5
Year-to-date customer load - Utility	5,844.7 GWh	4,925.8 GWh	918.9 GWh	\$ (2,407,814)	Page 8
Year-to-date customer load - Industrial	505.4 GWh	894.3 GWh	-388.9 GWh	\$ (18,166,751)	Page 10
				<u>\$ (37,415,983)</u>	
Rural rates					
Rural Rate Alteration (RRA)	\$ 8,192,277				
Less : RRA to utility customer	<u>\$ 7,299,318</u>				Page 9
RRA to Labrador interconnected	892,959				
Fuel variance to Labrador interconnected	<u>\$ (182,136)</u>				Page 6
Net Labrador interconnected	<u>\$ 710,823</u>				
Current plan summary					
One year recovery					
Due (to) from utility customer	\$ (68,976,964)				Page 9
Due (to) from Industrial customers	<u>\$ (2,578,000)</u>				Page 11
Sub total	(71,554,964)				
Four year recovery					
Hydraulic balance	<u>\$ (37,018,152)</u>				Page 4
Segregated Load Variation					
Utility Customer	\$ (9,328,286)				Page 12
Industrial Customer	<u>\$ (81,948,901)</u>				
Sub Total	\$ (91,277,187)				
Utility RSP Surplus	\$ (143,390,469)				Page 13
Industrial RSP Surplus	<u>\$ (388,883)</u>				Page 14
Total plan balance	<u>\$ (343,629,655)</u>				

**Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2016**

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) (A - B)	D Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	E Net Hydraulic Production Variation (\$) (C / O⁽¹⁾ X D)	F Financing Charges (\$)	G Cumulative Variation and Financing Charges (\$) (E + F) (to page 12)
Opening balance							(56,457,529)
January	427,100,000	510,590,165	(83,490,165)	54.17	(7,178,829)	(342,556)	(63,978,914)
February	388,680,000	418,483,120	(29,803,120)	54.73	(2,589,087)	(388,192)	(66,956,193)
March	415,080,000	433,502,488	(18,422,488)	55.46	(1,621,764)	(406,257)	(68,984,214)
April	355,520,000	362,951,563	(7,431,563)	55.46	(654,213)	(418,562)	(70,056,989)
May	324,240,000	330,255,566	(6,015,566)	55.46	(529,561)	(425,071)	(71,011,621)
June	328,500,000	293,602,265	34,897,735	54.49	3,018,377	(430,863)	(68,424,107)
July	386,790,000	270,257,821	116,532,179	54.49	10,079,109	(415,163)	(58,760,161)
August	379,140,000	267,977,384	111,162,616	54.49	9,614,684	(356,527)	(49,502,004)
September	363,560,000	277,073,135	86,486,865	54.49	7,480,427	(300,353)	(42,321,930)
October	340,510,000	346,776,994	(6,266,994)	54.56	(542,742)	(256,788)	(43,121,460)
November	364,390,000	378,350,849	(13,960,849)	54.56	(1,209,054)	(261,639)	(44,592,153)
December	398,560,000	492,209,253	(93,649,253)	58.98	(8,767,354)	(270,563)	(53,630,070)
	<u>4,472,070,000</u>	<u>4,382,030,603</u>	<u>90,039,397</u>		<u>7,099,993</u>	<u>(4,272,534)</u>	<u>(53,630,070)</u>
Hydraulic Allocation ⁽²⁾					<u>12,339,384</u>	<u>4,272,534</u>	<u>16,611,918</u>
Hydraulic variation at year end					<u>19,439,377</u>	<u>-</u>	<u>(37,018,152)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows.

**Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2016**

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel (bbl.)	Actual Quantity No. 6 Fuel for Non-Firm Sales (bbl.)	Net Quantity No. 6 Fuel (bbl.) (A - B)	Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	Actual Average No. 6 Fuel Cost (\$Can/bbl.)	Cost Variance (\$Can/bbl.) (E - D)	No.6 Fuel Variation (\$) (C X F) (to page 6)
January	353,467	0	353,467	54.17	49.44	(4.73)	(1,671,898)
February	311,264	0	311,264	54.73	41.75	(12.98)	(4,040,201)
March	408,149	0	408,149	55.46	39.53	(15.93)	(6,501,818)
April	272,458	0	272,458	55.46	39.49	(15.97)	(4,351,151)
May	155,288	0	155,288	55.46	40.45	(15.01)	(2,330,872)
June	122,889	0	122,889	54.49	43.10	(11.39)	(1,399,707)
July	81,331	0	81,331	54.49	43.18	(11.31)	(919,851)
August	103,131	0	103,131	54.49	46.13	(8.36)	(862,178)
September	98,310	0	98,310	54.49	47.32	(7.17)	(704,882)
October	166,498	0	166,498	54.56	50.15	(4.41)	(734,256)
November	240,299	0	240,299	54.56	54.75	0.19	45,657
December	350,936	0	350,936	58.98	57.64	(1.34)	(470,254)
	<u>2,664,019</u>	<u>0</u>	<u>2,664,019</u>	55.47	46.40	(9.07)	<u>(23,941,411)</u>

Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
December 31, 2016

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date			Year-to-Date Fuel Variance				Reallocate Rural Island Customers ⁽¹⁾		
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				(A+B+C)	(A/D X H)	(B/D X H)	(C/D X H)		(G X 89.10%)	(G X 10.90%)
					(to page 7)			(from page 5)	(to page 7)	
January	6,065,785,045	497,560,948	474,638,270	7,037,984,263	(1,440,949)	(118,197)	(112,752)	(1,671,898)	(100,462)	(12,290)
February	6,032,318,073	503,794,494	473,174,843	7,009,287,410	(4,915,935)	(410,559)	(385,605)	(5,712,099)	(343,574)	(42,031)
March	5,987,793,665	502,086,788	471,889,460	6,961,769,913	(10,505,147)	(880,875)	(827,895)	(12,213,917)	(737,654)	(90,241)
April	5,938,690,931	500,187,375	472,461,820	6,911,340,126	(14,233,827)	(1,198,847)	(1,132,394)	(16,565,068)	(1,008,963)	(123,431)
May	5,931,738,336	503,251,474	471,525,958	6,906,515,768	(16,228,989)	(1,376,875)	(1,290,076)	(18,895,940)	(1,149,458)	(140,618)
June	5,934,480,712	501,441,817	471,941,430	6,907,863,959	(17,435,799)	(1,473,261)	(1,386,587)	(20,295,647)	(1,235,449)	(151,138)
July	5,923,058,862	504,392,761	469,704,135	6,897,155,758	(18,219,198)	(1,551,501)	(1,444,799)	(21,215,498)	(1,287,316)	(157,483)
August	5,924,827,754	508,690,677	471,832,994	6,905,351,425	(18,942,762)	(1,626,377)	(1,508,537)	(22,077,676)	(1,344,106)	(164,431)
September	5,928,960,341	506,996,511	474,664,158	6,910,621,010	(19,546,273)	(1,671,438)	(1,564,847)	(22,782,558)	(1,394,279)	(170,568)
October	5,921,968,533	509,821,098	476,172,294	6,907,961,925	(20,160,191)	(1,735,587)	(1,621,036)	(23,516,814)	(1,444,343)	(176,693)
November	5,834,590,790	508,215,898	473,843,472	6,816,650,160	(20,089,721)	(1,749,894)	(1,631,542)	(23,471,157)	(1,453,704)	(177,838)
December	5,844,734,737	505,383,547	476,456,642	6,826,574,926	(20,498,009)	(1,772,425)	(1,670,977)	(23,941,411)	(1,488,841)	(182,136)

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

Rate Stabilization Plan
Allocation of Fuel Variance - Monthly
December 31, 2016

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date	Current Month	Year-to-Date	Current Month	Activity for the month	Year-to-Date	Current Month
	Activity	Activity ⁽¹⁾	Activity	Activity ⁽¹⁾	Activity for the month	Activity	Activity ⁽¹⁾
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 6)		(from page 6)		(B + D) (to page 10)	(from page 6)	(to page 11)
January	(1,440,949)	(1,440,949)	(100,462)	(100,462)	(1,541,411)	(118,197)	(118,197)
February	(4,915,935)	(3,474,986)	(343,574)	(243,112)	(3,718,098)	(410,559)	(292,362)
March	(10,505,147)	(5,589,212)	(737,654)	(394,080)	(5,983,292)	(880,875)	(470,316)
April	(14,233,827)	(3,728,680)	(1,008,963)	(271,309)	(3,999,989)	(1,198,847)	(317,972)
May	(16,228,989)	(1,995,162)	(1,149,458)	(140,495)	(2,135,657)	(1,376,875)	(178,028)
June	(17,435,799)	(1,206,810)	(1,235,449)	(85,991)	(1,292,801)	(1,473,261)	(96,386)
July	(18,219,198)	(783,399)	(1,287,316)	(51,867)	(835,266)	(1,551,501)	(78,240)
August	(18,942,762)	(723,564)	(1,344,106)	(56,790)	(780,354)	(1,626,377)	(74,876)
September	(19,546,273)	(603,511)	(1,394,279)	(50,173)	(653,684)	(1,671,438)	(45,061)
October	(20,160,191)	(613,918)	(1,444,343)	(50,064)	(663,982)	(1,735,587)	(64,149)
November	(20,089,721)	70,470	(1,453,704)	(9,361)	61,109	(1,749,894)	(14,307)
December	(20,498,009)	(408,288)	(1,488,841)	(35,137)	(443,425)	(1,772,425)	(22,531)
		<u>(20,498,009)</u>		<u>(1,488,841)</u>	<u>(21,986,850)</u>		<u>(1,772,425)</u>

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Rate Stabilization Plan
Load Variation - Utility
December 31, 2016

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy					Secondary Energy					
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	(\$Can/bbl.)	(\$/kWh)	(\$)	(kWh)	(kWh)	(\$/kWh)	(\$)	(\$)
			(B - A)			$C \times \{(D/O^1) - E\}$				(G - H) x I	(F + J)
											(to page 10)
January	574,800,000	733,704,064	158,904,064	54.17	0.09509	(1,446,960)	0	539,486	0.00908	(4,899)	(1,451,859)
February	518,600,000	634,452,716	115,852,716	54.73	0.09509	(951,960)	0	439,947	0.00908	(3,995)	(955,955)
March	524,700,000	666,673,392	141,973,392	55.46	0.09509	(1,002,084)	0	857,512	0.00908	(7,786)	(1,009,870)
April	429,200,000	520,095,993	90,895,993	55.46	0.09509	(641,567)	0	665,243	0.00908	(6,040)	(647,607)
May	358,700,000	412,078,436	53,378,436	55.46	0.09509	(376,759)	0	420,834	0.00908	(3,821)	(380,580)
June	298,400,000	346,398,943	47,998,943	54.49	0.09509	(412,692)	0	686,555	0.00908	(6,234)	(418,926)
July	293,400,000	313,660,495	20,260,495	54.49	0.09509	(174,198)	0	983,537	0.00908	(8,931)	(183,129)
August	287,000,000	302,309,041	15,309,041	54.49	0.09509	(131,626)	0	665,579	0.00908	(6,043)	(137,669)
September	297,700,000	326,955,804	29,255,804	54.49	0.09509	(251,540)	0	411,095	0.00908	(3,733)	(255,273)
October	360,200,000	417,485,515	57,285,515	54.56	0.09509	(486,172)	0	467,477	0.00908	(4,245)	(490,417)
November	439,300,000	464,020,920	24,720,920	54.56	0.09509	(209,802)	0	(467,477)	0.00908	4,245	(205,557)
December	543,800,000	701,229,630	157,429,630	58.98	0.09509	(231,571)	0	0	0.00908	0	(231,571)
	<u>4,925,800,000</u>	<u>5,839,064,949</u>	<u>913,264,949</u>			<u>(6,316,931)</u>	<u>0</u>	<u>5,669,788</u>		<u>(51,482)</u>	<u>(6,368,413)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

**Rate Stabilization Plan
Summary of Utility Customer
December 31, 2016**

	A	B	C	D	E	F	H
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration ⁽¹⁾	Subtotal Monthly Variances	Financing Charges	Adjustment ⁽²⁾	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)	(from page 7)		(A + B + C)			(to page 12)
Opening Balance							(70,887,147)
January		(1,541,411)	623,285	(918,126)	(430,108)	1,343,666	(70,891,715)
February		(3,718,098)	623,285	(3,094,813)	(430,135)	1,161,854	(73,254,809)
March		(5,983,292)	570,649	(5,412,643)	(444,474)	1,221,582	(77,890,344)
April		(3,999,989)	593,802	(3,406,187)	(472,600)	952,993	(80,816,138)
May		(2,135,657)	519,696	(1,615,961)	(490,352)	754,874	(82,167,577)
June		(1,292,801)	438,800	(854,001)	(498,552)	635,166	(82,884,964)
July		(835,266)	460,474	(374,792)	(502,905)	3,889,000	(79,873,661)
August		(780,354)	553,244	(227,110)	(484,633)	3,744,766	(76,840,638)
September		(653,684)	629,854	(23,830)	(466,231)	4,046,255	(73,284,444)
October		(663,982)	673,124	9,142	(444,653)	5,165,899	(68,554,056)
November		61,109	759,464	820,573	(415,952)	5,729,521	(62,419,914)
December		(443,425)	853,641	410,216	(378,733)	8,667,198	(53,721,233)
Year to date		(21,986,850)	7,299,318	(14,687,532)	(5,459,328)	37,312,774	17,165,914
Hydraulic allocation (from page 4)							(15,255,731)
Total		(21,986,850)	7,299,318	(14,687,532)	(5,459,328)	37,312,774	(68,976,964)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for the Utility was 0.183 cents per kWh effective July 1, 2015 to June 30, 2016 and is 1.236 cents per kWh effective July 1, 2016 to June 30, 2017.

**Rate Stabilization Plan
Load Variation - Industrial
December 31, 2016**

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh)	Cost of Service No. 6 Fuel Cost (\$)	Firm Energy Rate (\$/kWh)	Load Variation (\$) C x {(D/O)¹} - E} (to page 11)
			(B - A)			
January	78,300,000	39,449,999	(38,850,001)	54.17	0.04069	(1,759,677)
February	70,900,000	39,164,558	(31,735,442)	54.73	0.04069	(1,465,638)
March	76,600,000	41,340,048	(35,259,952)	55.46	0.04069	(1,669,268)
April	75,600,000	39,523,430	(36,076,570)	55.46	0.04069	(1,707,928)
May	69,500,000	44,414,234	(25,085,766)	55.46	0.04069	(1,187,604)
June	73,800,000	40,713,651	(33,086,349)	54.49	0.04069	(1,515,423)
July	77,500,000	41,725,504	(35,774,496)	54.49	0.04069	(1,638,546)
August	77,900,000	46,371,467	(31,528,533)	54.49	0.04069	(1,444,072)
September	73,000,000	39,352,823	(33,647,177)	54.49	0.04069	(1,541,110)
October	74,400,000	46,418,307	(27,981,693)	54.56	0.04069	(1,284,728)
November	74,100,000	43,143,243	(30,956,757)	54.56	0.04069	(1,421,323)
December	72,700,000	43,766,283	(28,933,717)	58.98	0.04069	(1,531,434)
	<u>894,300,000</u>	<u>505,383,547</u>	<u>(388,916,453)</u>			<u>(18,166,751)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

**Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2016**

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 9)	(from page 7)	(A + B)			(to page 12)
Opening Balance						474,171
January		(118,197)	(118,197)	2,877	0	358,851
February		(292,362)	(292,362)	2,177	0	68,666
March		(470,316)	(470,316)	417	0	(401,233)
April		(317,972)	(317,972)	(2,434)	0	(721,639)
May		(178,028)	(178,028)	(4,379)	0	(904,046)
June		(96,386)	(96,386)	(5,485)	0	(1,005,917)
July		(78,240)	(78,240)	(6,103)	0	(1,090,260)
August		(74,876)	(74,876)	(6,615)	0	(1,171,751)
September		(45,061)	(45,061)	(7,110)	0	(1,223,922)
October		(64,149)	(64,149)	(7,426)	0	(1,295,497)
November		(14,307)	(14,307)	(7,860)	0	(1,317,664)
December		(22,531)	(22,531)	(7,995)	0	(1,348,190)
Year to date	0	(1,772,425)	(1,772,425)	(49,936)	0	(1,822,361)
Hydraulic allocation (from page 4)						(1,229,810)
Total	0	(1,772,425)	(1,772,425)	(49,936)	0	(2,578,000)

**Rate Stabilization Plan
Load Variation January - December 2014
December 31, 2016**

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date ⁽¹⁾
	Load Variation	Financing Charges	Total To Date	Load Variation	Financing Charges	Total To Date	Total To Date ⁽¹⁾
		(\$)	(\$)		(\$)	(\$)	(\$)
	(from page 8)		(A + B)	(from page 9)		(D+ E)	(C + F)
							(to page 15)
Opening Balance			(2,472,747)			(58,724,691)	(61,197,438)
January	(1,451,859)	(15,003)	(3,939,609)	(1,759,677)	(356,312)	(60,840,680)	(64,780,289)
February	(955,955)	(23,904)	(4,919,468)	(1,465,638)	(369,151)	(62,675,469)	(67,594,937)
March	(1,009,870)	(29,849)	(5,959,187)	(1,669,268)	(380,283)	(64,725,020)	(70,684,207)
April	(647,607)	(36,157)	(6,642,951)	(1,707,928)	(392,719)	(66,825,667)	(73,468,618)
May	(380,580)	(40,306)	(7,063,837)	(1,187,604)	(405,465)	(68,418,736)	(75,482,573)
June	(418,926)	(42,860)	(7,525,623)	(1,515,423)	(415,131)	(70,349,290)	(77,874,913)
July	(183,129)	(45,662)	(7,754,414)	(1,638,546)	(426,844)	(72,414,680)	(80,169,094)
August	(137,669)	(47,050)	(7,939,133)	(1,444,072)	(439,376)	(74,298,128)	(82,237,261)
September	(255,273)	(48,171)	(8,242,577)	(1,541,110)	(450,804)	(76,290,042)	(84,532,619)
October	(490,417)	(50,012)	(8,783,006)	(1,284,728)	(462,890)	(78,037,660)	(86,820,666)
November	(205,557)	(53,291)	(9,041,854)	(1,421,323)	(473,494)	(79,932,477)	(88,974,331)
December	(231,571)	(54,861)	(9,328,286)	(1,531,434)	(484,990)	(81,948,901)	(91,277,187)
Total	(6,368,413)	(487,126)	(9,328,286)	(18,166,751)	(5,057,459)	(81,948,901)	(91,277,187)

(1) Per Board Order No. P.U. 29(2013), the load variation from the Industrial and Utility Customers as of September 1, 2013 be held in a separate account until its disposition.

**Rate Stabilization Plan
Utility RSP Surplus
December 31, 2016**

	A	B	C	D
	Industrial Customer Adjustment	Utility Payout	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)
	(from page 10)			(to page 15)
Opening Balance				(133,350,561)
January			(809,105)	(134,159,666)
February			(814,014)	(134,973,680)
March			(818,953)	(135,792,633)
April			(823,922)	(136,616,555)
May			(828,921)	(137,445,476)
June			(833,950)	(138,279,426)
July			(839,010)	(139,118,436)
August			(844,101)	(139,962,537)
September			(849,223)	(140,811,760)
October			(854,375)	(141,666,135)
November			(859,559)	(142,525,694)
December			(864,775)	(143,390,469)
Year to date	-	-	(10,039,908)	(10,039,908)
Total			(10,039,908)	(143,390,469)

**Rate Stabilization Plan
Industrial RSP Surplus
December 31, 2016**

	A	B	C	D	E
	Industrial Surplus	Teck Allocation ⁽¹⁾	Industrial Drawdown ⁽²⁾	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 11)				(to page 15)
Opening Balance					(3,129,977)
January		8,507	221,099	(18,991)	(2,919,362)
February		7,959	228,974	(17,713)	(2,700,143)
March		8,280	235,370	(16,383)	(2,472,876)
April		7,044	223,949	(15,004)	(2,256,888)
May		5,610	235,288	(13,694)	(2,029,684)
June		4,782	225,928	(12,315)	(1,811,289)
July		4,388	231,183	(10,990)	(1,586,708)
August		4,151	247,060	(9,627)	(1,345,125)
September		4,134	223,447	(8,162)	(1,125,706)
October		4,786	251,820	(6,830)	(875,930)
November		4,308	241,431	(5,315)	(635,506)
December		4,937	245,543	(3,856)	(388,883)
Year to date	0	68,886	2,811,088	(138,880)	2,741,094
Total	0	68,886	2,811,088	(138,880)	(388,883)

(1) Per Board Order No. P.U. 29(2013), the RSP drawdown adjustment rate for Teck Resources is 1.111 cents per kWh effective September 1, 2013. Effective July 1, 2015 the RSP drawdown adjustment rate for Teck Resources is 1.141 cents per kWh.

(2) Drawdown of Industrial Customers RSP Surplus balance effective July 1, 2015 using RSP Adjustment rates for all Industrial Customers are \$1.52 per kW per month and 0.294 cents per kWh as approved in Board Order No. P.U. 35(2015).

**Rate Stabilization Plan
Overall Summary
December 31, 2016**

	A	B	C	D	E	F	G
	Hydraulic Balance	Utility Balance	Industrial Balance	Segregated Load Balance	Utility RSP Surplus	Industrial RSP Surplus	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 4)	(from page 10)	(from page 11)	(from page 12)	(from page 13)	(from page 14)	(A + B + C + D + E + F)
Opening Balance	(56,457,529)	(70,887,147)	474,171	(61,197,438)	(133,350,561)	(3,129,977)	(324,548,481)
January	(63,978,914)	(70,891,715)	358,851	(64,780,289)	(134,159,666)	(2,919,362)	(336,371,095)
February	(66,956,193)	(73,254,809)	68,666	(67,594,937)	(134,973,680)	(2,700,143)	(345,411,096)
March	(68,984,214)	(77,890,344)	(401,233)	(70,684,207)	(135,792,633)	(2,472,876)	(356,225,507)
April	(70,056,989)	(80,816,138)	(721,639)	(73,468,618)	(136,616,555)	(2,256,888)	(363,936,827)
May	(71,011,621)	(82,167,577)	(904,046)	(75,482,573)	(137,445,476)	(2,029,684)	(369,040,977)
June	(68,424,107)	(82,884,964)	(1,005,917)	(77,874,913)	(138,279,426)	(1,811,289)	(370,280,616)
July	(58,760,161)	(79,873,661)	(1,090,260)	(80,169,094)	(139,118,436)	(1,586,708)	(360,598,320)
August	(49,502,004)	(76,840,638)	(1,171,751)	(82,237,261)	(139,962,537)	(1,345,125)	(351,059,316)
September	(42,321,930)	(73,284,444)	(1,223,922)	(84,532,619)	(140,811,760)	(1,125,706)	(343,300,381)
October	(43,121,460)	(68,554,056)	(1,295,497)	(86,820,666)	(141,666,135)	(875,930)	(342,333,744)
November	(44,592,153)	(62,419,914)	(1,317,664)	(88,974,331)	(142,525,694)	(635,506)	(340,465,262)
December	(37,018,152)	(68,976,964)	(2,578,000)	(91,277,187)	(143,390,469)	(388,883)	(343,629,655)

Exhibit 9
GRA Compliance Report
2016 RSP Report 2015 Test Year

Newfoundland and Labrador Hydro
January 2017

Rate Stabilization Plan Report December 31, 2016

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The 2015 Test Year Cost of Service Study is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 6.61% per annum. Holyrood's operating efficiency is set, for RSP purposes, at 618 kWh/barrel regardless of the actual conversion rate experienced.

	2015 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	(\$Can/bbl.)	(kWh)	(kWh)
January	503,640,000	54.17	729,300,000	49,000,000
February	457,830,000	54.73	662,500,000	45,900,000
March	438,830,000	55.46	657,400,000	51,200,000
April	370,790,000	55.46	514,600,000	50,500,000
May	312,990,000	55.46	423,000,000	53,500,000
June	323,000,000	54.49	348,100,000	51,700,000
July	330,220,000	54.49	314,700,000	51,900,000
August	330,170,000	54.49	314,500,000	53,100,000
September	326,980,000	54.49	337,300,000	38,300,000
October	348,360,000	54.56	416,700,000	58,800,000
November	400,160,000	54.56	526,000,000	57,800,000
December	460,598,000	58.98	680,000,000	59,700,000
Total	4,603,568,000		5,924,100,000	621,400,000

**Rate Stabilization Plan
Plan Highlights
December 31, 2016**

	Forecast	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,382.0 GWh	4,603.6 GWh	-221.5 GWh	\$ 19,318,716	Page 4
No 6 fuel cost - Current month	\$ 57.64	\$ 58.98	\$ (1.34)	\$ (23,941,411)	Page 5
Year-to-date customer load - Utility	5,844.7 GWh	5,924.1 GWh	-79.4 GWh	\$ 141,508	Page 8
Year-to-date customer load - Industrial	505.4 GWh	621.4 GWh	-116.0 GWh	\$ (5,672,102)	Page 10
				<u>\$ (10,153,289)</u>	
Rural rates					
Rural Rate Alteration (RRA) ⁽¹⁾	\$ 8,192,277				
Less : RRA to utility customer	<u>\$ 6,919,518</u>				Page 9
RRA to Labrador interconnected	1,272,759				
Fuel variance to Labrador interconnected	<u>\$ (72,687)</u>				Page 6
Net Labrador interconnected	<u><u>\$ 1,200,072</u></u>				
Current plan summary					
One year recovery					
Due (to) from utility customer	\$ (50,664,507)				Page 9
Due (to) from Industrial customers	<u>\$ (1,817,842)</u>				Page 11
Sub total	(52,482,349)				
Four year recovery					
Hydraulic balance	<u>\$ (21,407,245)</u>				Page 4
Segregated Load Variation					
Utility Customer	\$ (48,868,339)				
Industrial Customer	<u>\$ (3,109,520)</u>				Page 12
Sub Total	\$ (51,977,859)				
Utility RSP Surplus	\$ (141,029,124)				Page 13
Industrial RSP Surplus	<u>\$ (291,188)</u>				Page 14
Total plan balance	<u><u>\$ (267,187,765)</u></u>				

**Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2016**

	A Cost of Service Net Hydraulic Production (kWh)	B Forecast Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) (A - B)	D Cost of Service No. 6 Fuel Cost (\$/Can/bbl.)	E Net Hydraulic Production Variation (\$) (C / O⁽¹⁾ X D)	F Financing Charges (\$)	G Cumulative Variation and Financing Charges (\$) (E + F) (to page 12)
Opening balance							(47,861,710)
January	503,640,000	510,590,165	(6,950,165)	54.17	(609,208)	(255,980)	(48,726,898)
February	457,830,000	418,483,120	39,346,880	54.73	3,484,555	(260,608)	(45,502,951)
March	438,830,000	433,502,488	5,327,512	55.46	478,097	(243,365)	(45,268,219)
April	370,790,000	362,951,563	7,838,437	55.46	703,430	(242,110)	(44,806,899)
May	312,990,000	330,255,566	(17,265,566)	55.46	(1,549,431)	(239,642)	(46,595,972)
June	323,000,000	293,602,265	29,397,735	54.49	2,592,043	(249,211)	(44,253,140)
July	330,220,000	270,257,821	59,962,179	54.49	5,286,957	(236,681)	(39,202,864)
August	330,170,000	267,977,384	62,192,616	54.49	5,483,618	(209,670)	(33,928,916)
September	326,980,000	277,073,135	49,906,865	54.49	4,400,364	(181,463)	(29,710,015)
October	348,360,000	346,776,994	1,583,006	54.56	139,755	(158,899)	(29,729,159)
November	400,160,000	378,350,849	21,809,151	54.56	1,925,416	(159,001)	(27,962,744)
December	460,598,000	492,209,253	(31,611,253)	58.98	(3,016,880)	(149,554)	(31,129,178)
	<u>4,603,568,000</u>	<u>4,382,030,603</u>	<u>221,537,397</u>		<u>19,318,716</u>	<u>(2,586,184)</u>	<u>(31,129,178)</u>
Hydraulic Allocation ⁽²⁾					<u>7,135,749</u>	<u>2,586,184</u>	<u>9,721,933</u>
Hydraulic variation at year end					<u>26,454,465</u>	<u>-</u>	<u>(21,407,245)</u>

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows:.

	(from page 6)			(to pages 11 & 12)	
	12 month kWh	% of kWh to total	Allocation	Reallocate Rural	Net
Utility	5,844,734,737	85.6%	8,323,665	649,020	8,972,685
Industrial	505,383,547	7.4%	719,732		719,732
Rural	476,456,642	7.0%	678,536	(678,536)	-
Total	<u>6,826,574,926</u>	<u>100.0%</u>	<u>9,721,933</u>	<u>(29,516)</u>	<u>9,692,417</u>
Labrador Inteconnected (write-off to income)				<u>29,516</u>	<u>29,516</u>
				<u>-</u>	<u>9,721,933</u>

**Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2016**

	A	B	C	D	E	F	G
	Forecast Quantity No. 6 Fuel (bbl.)	Forecast Quantity No. 6 Fuel for Non-Firm Sales (bbl.)	Net Quantity No. 6 Fuel (bbl.) (A - B)	Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	Forecast Average No. 6 Fuel Cost (\$Can/bbl.)	Cost Variance (\$Can/bbl.) (E - D)	No.6 Fuel Variation (\$) (C X F) (to page 6)
January	353,467	0	353,467	54.17	49.44	(4.73)	(1,671,898)
February	311,264	0	311,264	54.73	41.75	(12.98)	(4,040,201)
March	408,149	0	408,149	55.46	39.53	(15.93)	(6,501,818)
April	272,458	0	272,458	55.46	39.49	(15.97)	(4,351,151)
May	155,288	0	155,288	55.46	40.45	(15.01)	(2,330,872)
June	122,889	0	122,889	54.49	43.10	(11.39)	(1,399,707)
July	81,331	0	81,331	54.49	43.18	(11.31)	(919,851)
August	103,131	0	103,131	54.49	46.13	(8.36)	(862,178)
September	98,310	0	98,310	54.49	47.32	(7.17)	(704,882)
October	166,498	0	166,498	54.56	50.15	(4.41)	(734,256)
November	240,299	0	240,299	54.56	54.75	0.19	45,657
December	350,936	0	350,936	58.98	57.64	(1.34)	(470,254)
	<u>2,664,019</u>	<u>0</u>	<u>2,664,019</u>	55.53	46.40	(9.13)	<u>(23,941,411)</u>

Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
December 31, 2016

	Twelve Months-to-Date			Year-to-Date Fuel Variance				Reallocate Rural Island Customers ⁽¹⁾		
	Utility (kWh)	Industrial Customers (kWh)	Rural Island Customers (kWh)	Total (kWh)	Utility (\$)	Industrial Customers (\$)	Rural Island Interconnected (\$)	Total (\$)	Utility (\$)	Labrador Interconnected (\$)
			(A+B+C)		(B/D X H)	#	(C/D X H)		(G X 96.24%)	(G X 3.76%)
					(to page 7)			(from page 5)	(to page 7)	
January	6,065,785,045	497,560,948	474,638,270	7,037,984,263	(1,440,949)	(118,197)	(112,752)	(1,671,898)	(107,847)	(4,905)
February	6,032,318,073	503,794,494	473,174,843	7,009,287,410	(4,915,935)	(410,559)	(385,605)	(5,712,099)	(368,831)	(16,774)
March	5,987,793,665	502,086,788	471,889,460	6,961,769,913	(10,505,147)	(880,875)	(827,895)	(12,213,917)	(791,882)	(36,013)
April	5,938,690,931	500,187,375	472,461,820	6,911,340,126	(14,233,827)	(1,198,847)	(1,132,394)	(16,565,068)	(1,083,135)	(49,259)
May	5,931,738,336	503,251,474	471,525,958	6,906,515,768	(16,228,989)	(1,376,875)	(1,290,076)	(18,895,940)	(1,233,958)	(56,118)
June	5,934,480,712	501,441,817	471,941,430	6,907,863,959	(17,435,799)	(1,473,261)	(1,386,587)	(20,295,647)	(1,326,270)	(60,317)
July	5,923,058,862	504,392,761	469,704,135	6,897,155,758	(18,219,198)	(1,551,501)	(1,444,799)	(21,215,498)	(1,381,950)	(62,849)
August	5,924,827,754	508,690,677	471,832,994	6,905,351,425	(18,942,762)	(1,626,377)	(1,508,537)	(22,077,676)	(1,442,916)	(65,621)
September	5,928,960,341	506,996,511	474,664,158	6,910,621,010	(19,546,273)	(1,671,438)	(1,564,847)	(22,782,558)	(1,496,776)	(68,071)
October	5,921,968,533	509,821,098	476,172,294	6,907,961,925	(20,160,191)	(1,735,587)	(1,621,036)	(23,516,814)	(1,550,521)	(70,515)
November	5,834,590,790	508,215,898	473,843,472	6,816,650,160	(20,089,721)	(1,749,894)	(1,631,542)	(23,471,157)	(1,560,570)	(70,972)
December	5,844,734,737	505,383,547	476,456,642	6,826,574,926	(20,498,009)	(1,772,425)	(1,670,977)	(23,941,411)	(1,598,290)	(72,687)

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 95.65% and 4.35% respectively for January to December 2016. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

**Rate Stabilization Plan
Allocation of Fuel Variance - Monthly
December 31, 2016**

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date	Current Month	Year-to-Date	Current Month	Activity for the month	Year-to-Date	Current Month
	Activity	Activity ⁽¹⁾	Activity	Activity ⁽¹⁾		Activity	Activity ⁽¹⁾
	(\$)	(\$)	(\$)	(\$)		(\$)	# (\$)
	(from page 6)		(from page 6)		(B + D) (to page 10)	(from page 6)	(to page 11)
January	(1,440,949)	(1,440,949)	(107,847)	(107,847)	(1,548,796)	(118,197)	(118,197)
February	(4,915,935)	(3,474,986)	(368,831)	(260,984)	(3,735,970)	(410,559)	(292,362)
March	(10,505,147)	(5,589,212)	(791,882)	(423,051)	(6,012,263)	(880,875)	(470,316)
April	(14,233,827)	(3,728,680)	(1,083,135)	(291,253)	(4,019,933)	(1,198,847)	(317,972)
May	(16,228,989)	(1,995,162)	(1,233,958)	(150,823)	(2,145,985)	(1,376,875)	(178,028)
June	(17,435,799)	(1,206,810)	(1,326,270)	(92,312)	(1,299,122)	(1,473,261)	(96,386)
July	(18,219,198)	(783,399)	(1,381,950)	(55,680)	(839,079)	(1,551,501)	(78,240)
August	(18,942,762)	(723,564)	(1,442,916)	(60,966)	(784,530)	(1,626,377)	(74,876)
September	(19,546,273)	(603,511)	(1,496,776)	(53,860)	(657,371)	(1,671,438)	(45,061)
October	(20,160,191)	(613,918)	(1,550,521)	(53,745)	(667,663)	(1,735,587)	(64,149)
November	(20,089,721)	70,470	(1,560,570)	(10,049)	60,421	(1,749,894)	(14,307)
December	(20,498,009)	(408,288)	(1,598,290)	(37,720)	(446,008)	(1,772,425)	(22,531)
		<u>(20,498,009)</u>		<u>(1,598,290)</u>	<u>(22,096,299)</u>		<u>(1,772,425)</u>

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Rate Stabilization Plan
Load Variation - Utility
December 31, 2016

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy					Secondary Energy					
	Cost of Service Sales	Forecast Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Forecast Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	(\$Can/bbl.)	(\$/kWh)	(\$)	(kWh)		(\$/kWh)	(\$)	(\$)
	(B - A)			C x {(D/O¹) - E}			(G - H) x I			(F + J)	
	(to page 10)										
January	729,300,000	733,704,064	4,404,064	54.17	0.09509	(32,750)	0	539,486	0.00908	(4,899)	(37,649)
February	662,500,000	634,452,716	(28,047,284)	54.73	0.09509	183,152	0	439,947	0.00908	(3,995)	179,157
March	657,400,000	666,673,392	9,273,392	55.46	0.09509	(49,602)	0	857,512	0.00908	(7,786)	(57,388)
April	514,600,000	520,095,993	5,495,993	55.46	0.09509	(29,398)	0	665,243	0.00908	(6,040)	(35,438)
May	423,000,000	412,078,436	(10,921,564)	55.46	0.09509	58,418	0	420,834	0.00908	(3,821)	54,597
June	348,100,000	346,398,943	(1,701,057)	54.49	0.09509	11,769	0	686,555	0.00908	(6,234)	5,535
July	314,700,000	313,660,495	(1,039,505)	54.49	0.09509	7,192	0	983,537	0.00908	(8,931)	(1,739)
August	314,500,000	302,309,041	(12,190,959)	54.49	0.09509	84,343	0	665,579	0.00908	(6,043)	78,300
September	337,300,000	326,955,804	(10,344,196)	54.49	0.09509	71,566	0	411,095	0.00908	(3,733)	67,833
October	416,700,000	417,485,515	785,515	54.56	0.09509	(5,346)	0	467,477	0.00908	(4,245)	(9,591)
November	526,000,000	464,020,920	(61,979,080)	54.56	0.09509	421,781	0	(467,477)	0.00908	4,245	426,026
December	680,000,000	701,229,630	21,229,630	58.98	0.09509	7,364	0	0	0.00908	0	7,364
	<u>5,924,100,000</u>	<u>5,839,064,949</u>	<u>(85,035,051)</u>			<u>728,489</u>	<u>0</u>	<u>5,669,788</u>		<u>(51,482)</u>	<u>677,007</u>

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

**Rate Stabilization Plan
Summary of Utility Customer
December 31, 2016**

	A	B	C	D	E	F	H
	Load Variation	Allocation Fuel Variance	Rural Rate Alteration ⁽¹⁾	Monthly Variances	Financing Charges	Adjustment ⁽²⁾	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)	(from page 7)		(A + B + C)			(to page 12)
Opening Balance							(60,639,470)
January	0	(1,548,796)	669,105	(879,691)	(324,320)	1,343,666	(60,499,815)
February	0	(3,735,970)	669,105	(3,066,865)	(323,573)	1,161,854	(62,728,399)
March	0	(6,012,263)	612,599	(5,399,664)	(335,492)	1,221,582	(67,241,973)
April	0	(4,019,933)	637,455	(3,382,478)	(359,632)	952,993	(70,031,090)
May	0	(2,145,985)	557,900	(1,588,085)	(374,550)	754,874	(71,238,851)
June	0	(1,299,122)	471,057	(828,065)	(381,009)	635,166	(71,812,759)
July	0	(839,079)	494,325	(344,754)	(384,079)	3,889,000	(68,652,592)
August	0	(784,530)	593,915	(190,615)	(367,177)	3,744,766	(65,465,618)
September	0	(657,371)	676,156	18,785	(350,132)	4,046,255	(61,750,710)
October	0	(667,663)	722,607	54,944	(330,263)	5,165,899	(56,860,130)
November	0	60,421	815,294	875,715	(304,107)	5,729,521	(50,559,001)
December	0	(446,008)	916,395	470,387	(270,406)	8,667,198	(41,691,822)
Year to date	0	(22,096,299)	7,835,913	(14,260,386)	(4,104,740)	37,312,774	18,947,648
Hydraulic allocation (from page 4)							(8,972,685)
Total	0	(22,096,299)	7,835,913	(14,260,386)	(4,104,740)	37,312,774	(50,664,507)

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 95.65% and 4.35% respectively for January to December 2016. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for the Utility was 0.183 cents per kwh effective July 1, 2015 to June 30, 2016 and is 1.236 cents per kwh effective July 1, 2016 to June 30, 2017.

**Rate Stabilization Plan
Load Variation - Industrial
December 31, 2016**

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Forecast Sales (kWh)	Sales Variance (kWh) (B - A)	Cost of Service No. 6 Fuel Cost (\$)	Energy Rate (\$/kWh)	Load Variation (\$) C x {(D/O¹) - E} (to page 11)
January	49,000,000	39,449,999	(9,550,001)	54.17	0.04069	(448,504)
February	45,900,000	39,164,558	(6,735,442)	54.73	0.04069	(322,425)
March	51,200,000	41,340,048	(9,859,952)	55.46	0.04069	(483,641)
April	50,500,000	39,523,430	(10,976,570)	55.46	0.04069	(538,413)
May	53,500,000	44,414,234	(9,085,766)	55.46	0.04069	(445,667)
June	51,700,000	40,713,651	(10,986,349)	54.49	0.04069	(521,649)
July	51,900,000	41,725,504	(10,174,496)	54.49	0.04069	(483,101)
August	53,100,000	46,371,467	(6,728,533)	54.49	0.04069	(319,481)
September	38,300,000	39,352,823	1,052,823	54.49	0.04069	49,990
October	58,800,000	46,418,307	(12,381,693)	54.56	0.04069	(589,304)
November	57,800,000	43,143,243	(14,656,757)	54.56	0.04069	(697,585)
December	59,700,000	43,766,283	(15,933,717)	58.98	0.04069	(872,322)
	<u>621,400,000</u>	<u>505,383,547</u>	<u>(116,016,453)</u>			<u>(5,672,102)</u>

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.

**Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2016**

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 9)	(from page 7)	(A + B)			(to page 12)
Opening Balance						703,118
January	0	(118,197)	(118,197)	3,761	0	588,682
February	0	(292,362)	(292,362)	3,148	0	299,468
March	0	(470,316)	(470,316)	1,602	0	(169,246)
April	0	(317,972)	(317,972)	(905)	0	(488,123)
May	0	(178,028)	(178,028)	(2,611)	0	(668,762)
June	0	(96,386)	(96,386)	(3,577)	0	(768,725)
July	0	(78,240)	(78,240)	(4,111)	0	(851,076)
August	0	(74,876)	(74,876)	(4,552)	0	(930,504)
September	0	(45,061)	(45,061)	(4,977)	0	(980,542)
October	0	(64,149)	(64,149)	(5,244)	0	(1,049,935)
November	0	(14,307)	(14,307)	(5,615)	0	(1,069,857)
December	0	(22,531)	(22,531)	(5,722)	0	(1,098,110)
Year to date	0	(1,772,425)	(1,772,425)	(28,803)	0	(1,801,228)
Hydraulic allocation (from page 4)						(719,732)
Total	0	(1,772,425)	(1,772,425)	(28,803)	0	(1,817,842)

**Rate Stabilization Plan
Load Variation January - December 2016
December 31, 2016**

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date ⁽¹⁾
	Load Variation	Financing Charges	Adjustment ⁽²⁾⁽³⁾	Load Variation	Financing Charges	Adjustment ⁽²⁾⁽³⁾	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)		(A + B)	(from page 9)			(C + F)
							(to page 15)
Opening Balance			(41,416,540)			(2,521,405)	(43,937,945)
January	(37,649)	(221,509)	(41,675,698)	(448,504)	(13,485)	(2,983,394)	(44,659,092)
February	179,157	(222,896)	(41,719,437)	(322,425)	(15,956)	(3,321,775)	(45,041,212)
March	(57,388)	(223,129)	(41,999,954)	(483,641)	(17,766)	(3,823,182)	(45,823,136)
April	(35,438)	(224,630)	(42,260,022)	(538,413)	(20,448)	(4,382,043)	(46,642,065)
May	54,597	(226,021)	(42,431,446)	(445,667)	(23,437)	(4,851,147)	(47,282,593)
June	5,535	(226,938)	(42,652,849)	(521,649)	(25,946)	(5,398,742)	(48,051,591)
July	(1,739)	(228,122)	(42,882,710)	(483,101)	(28,874)	(5,910,717)	(48,793,427)
August	78,300	(229,351)	(43,033,761)	(319,481)	(31,612)	(6,261,810)	(49,295,571)
September	67,833	(230,159)	(43,196,087)	49,990	(33,490)	(6,245,310)	(49,441,397)
October	(9,591)	(231,027)	(43,436,705)	(589,304)	(33,402)	(6,868,016)	(50,304,721)
November	426,026	(232,314)	(43,242,993)	(697,585)	(36,732)	(7,602,333)	(50,845,326)
December	7,364	(231,278)	(5,401,432)	(872,322)	(40,660)	5,405,795	(51,977,859)
Total	677,007	(2,727,374)	(5,401,432)	(5,672,102)	(321,808)	5,405,795	(51,977,859)

(1) Per Board Order No. P.U. 29(2013), the load variation from the Industrial and Utility Customers as of September 1, be held in a separate account until its disposition.

(2) Per Board Order No. P.U. 49(2016), the cumulative load variation segregated from September 1, 2013 has been reallocated between customer groups based upon energy ratios.

(3) The Load Variation including financing charges initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same

**Rate Stabilization Plan
Utility RSP Surplus
December 31, 2016**

	A	B	C	D
	Industrial Customer	Utility	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)
	(from page 10)			(to page 15)
Opening Balance				(132,284,835)
January			(707,503)	(132,992,338)
February			(711,287)	(133,703,625)
March			(715,092)	(134,418,717)
April			(718,916)	(135,137,633)
May			(722,761)	(135,860,394)
June			(726,627)	(136,587,021)
July			(730,513)	(137,317,534)
August			(734,420)	(138,051,954)
September			(738,348)	(138,790,302)
October			(742,297)	(139,532,599)
November			(746,267)	(140,278,866)
December			(750,258)	(141,029,124)
Year to date	-	-	(8,744,289)	(8,744,289)
Total			(8,744,289)	(141,029,124)

**Rate Stabilization Plan
Industrial RSP Surplus
December 31, 2016**

	A	B	C	D	E
	Industrial	Teck	Industrial Drawdown	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 11)		(from page 11)		(to page 15)
Opening Balance					(3,054,362)
January		8,507	221,099	(16,336)	(2,841,092)
February		7,959	228,974	(15,195)	(2,619,355)
March		8,280	235,370	(14,009)	(2,389,714)
April		7,044	223,949	(12,781)	(2,171,503)
May		5,610	235,288	(11,614)	(1,942,219)
June		4,782	225,928	(10,388)	(1,721,897)
July		4,388	231,183	(9,209)	(1,495,535)
August		4,151	247,060	(7,999)	(1,252,323)
September		4,134	223,447	(6,698)	(1,031,440)
October		4,786	251,820	(5,516)	(780,351)
November		4,308	241,431	(4,174)	(538,786)
December		4,937	245,543	(2,882)	(291,188)
Year to date	0	68,886	2,811,088	(116,800)	2,763,174
Total	0	68,886	2,811,088	(116,800)	(291,188)

(1) Per Board Order No. P.U. 29(2013), the RSP drawdown adjustment rate for Teck Resources is 1.111 cents per kwh effective September 1, 2013. Effective July 1, 2015 the RSP drawdown adjustment rate for Teck Resources is 1.141 cents per kwh.

**Rate Stabilization Plan
Overall Summary
December 31, 2016**

	A	B	C	D	E	F	G
	Hydraulic	Utility	Industrial	Segregated Load Balance	Utility RSP Surplus	Industrial RSP Surplus	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 4)	(from page 10)	(from page 11)	(from page 12)	(from page 13)	(from page 14)	(A + B + C + D + E + F)
Opening Balance	(47,861,710)	(60,639,470)	703,118	(43,937,945)	(132,284,835)	(3,054,362)	(287,075,204)
January	(48,726,898)	(60,499,815)	588,682	(44,659,092)	(132,992,338)	(2,841,092)	(289,130,553)
February	(45,502,951)	(62,728,399)	299,468	(45,041,212)	(133,703,625)	(2,619,355)	(289,296,074)
March	(45,268,219)	(67,241,973)	(169,246)	(45,823,136)	(134,418,717)	(2,389,714)	(295,311,005)
April	(44,806,899)	(70,031,090)	(488,123)	(46,642,065)	(135,137,633)	(2,171,503)	(299,277,313)
May	(46,595,972)	(71,238,851)	(668,762)	(47,282,593)	(135,860,394)	(1,942,219)	(303,588,791)
June	(44,253,140)	(71,812,759)	(768,725)	(48,051,591)	(136,587,021)	(1,721,897)	(303,195,133)
July	(39,202,864)	(68,652,592)	(851,076)	(48,793,427)	(137,317,534)	(1,495,535)	(296,313,028)
August	(33,928,916)	(65,465,618)	(930,504)	(49,295,571)	(138,051,954)	(1,252,323)	(288,924,886)
September	(29,710,015)	(61,750,710)	(980,542)	(49,441,397)	(138,790,302)	(1,031,440)	(281,704,406)
October	(29,729,159)	(56,860,130)	(1,049,935)	(50,304,721)	(139,532,599)	(780,351)	(278,256,895)
November	(27,962,744)	(50,559,001)	(1,069,857)	(50,845,326)	(140,278,866)	(538,786)	(271,254,580)
December	(21,407,245)	(50,664,507)	(1,817,842)	(51,977,859)	(141,029,124)	(291,188)	(267,187,765)

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Revenue Requirement

Line No.	1	2	3	4	5	6	7	8
	Description	Total Amount (\$)	Island Interconnected (\$)	Island Isolated (\$)	Labrador Isolated (\$)	L'Anse au Loup (\$)	Labrador Interconnected (\$)	Basis of Proration
	Revenue Requirement							
	Expenses							
1	Operating, Maintenance and Admin.	116,608,241	90,889,100	5,029,176	12,427,199	1,392,297	6,870,468	Detailed Analysis
2	Fuels - No. 6 Fuel	256,467,455	256,467,455	-	-	-	-	Detailed Analysis
3	Fuels - Diesel	20,658,922	896,358	2,677,086	15,858,128	1,131,462	95,888	Detailed Analysis
4	Fuels - Gas Turbine	6,465,438	6,253,554	-	-	-	211,884	
5	Fuel Supply Deferral	(1,422,387)	(1,422,387)					
6	Power Purchases -CF(L)Co	2,112,595	-	-	-	-	2,112,595	Detailed Analysis
7	Power Purchases - Other	64,555,311	60,294,118	220,742	-	3,328,793	711,659	Detailed Analysis
9	Depreciation	55,545,394	49,563,504	441,358	2,097,803	343,157	3,099,571	Detailed Analysis
	Expense Credits:							
10	Sundry	(582,360)	(453,915)	(25,117)	(62,063)	(6,953)	(34,312)	Total O&M Expenses
11	Building Rental Income	(21,230)	(21,230)	-	-	-	0	Detailed Analysis
12	Tax Refunds	-	-	-	-	-	-	Total O&M Expenses
13	Suppliers' Discounts	(133,876)	(104,348)	(5,774)	(14,267)	(1,598)	(7,888)	Total O&M Expenses
14	Pole Attachments	(1,594,680)	(1,149,734)	(23,663)	(102,974)	(90,792)	(227,516)	Detailed Analysis
15	Secondary Energy Revenues	-	-	-	-	-	-	Island Interconnected
16	Wheeling Revenues	-	0	-	-	-	-	Island Interconnected
17	Application Fees	(25,516)	(11,572)	(184)	(1,580)	(360)	(11,820)	Detailed Analysis
18	Meter Test Revenues	(3,400)	(2,095)	(58)	(217)	(111)	(919)	Weighted Customers
19	Total Expense Credits	(2,361,062)	(1,742,894)	(54,795)	(181,102)	(99,815)	(282,456)	
20	Subtotal Expenses	518,629,907	461,198,809	8,313,567	30,202,029	6,095,895	12,819,608	
21	Disposal Gain/Loss	2,068,000	1,757,820	40,097	95,653	32,701	141,729	Detailed Analysis
22	Subtotal Rev Req Excl Return	520,697,907	462,956,630	8,353,664	30,297,681	6,128,596	12,961,337	
23	Return on Debt	83,046,774	75,344,888	580,433	2,375,380	477,728	4,268,344	Rate Base
24	Return on Equity	32,750,476	29,713,147	228,901	936,759	188,398	1,683,272	Rate Base
25	Total Revenue Requirement ⁽¹⁾	636,495,158	568,014,665	9,162,998	33,609,821	6,794,722	18,912,952	

⁽¹⁾ Reconciliation to the Revenue Requirement per Finance Schedules (\$millions):

Total Revenue Requirement per Cost of Service	636.5
Add Expense Credits	2.5
Less IOCC Cost Recovery	1.9
Less RSP Adjustments	82.1
Total Revenue Requirement per Finance Schedules	555.0

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Return on Rate Base**

Line No	1	2	3	4	5	6	7	8
	Total	Island	Island	Labrador	L'Anse au	Labrador		
	\$	Interconnected	Isolated	Isolated	Loup	Interconnected		Basis of Proration
		\$	\$	\$	\$	\$		
Rate Base:								
1	Average Net Book Value	1,440,129,127	1,305,030,654	10,261,280	39,509,721	8,537,513	76,789,959	Schedule 2.3
2	Cash Working Capital	9,207,000	8,343,292	65,602	252,593	54,582	490,932	Prorated on Average Net Book Value - L. 1
3	Fuel Inventory - No. 6 Fuel	57,866,013	57,866,013	-	-	-	-	Specifically Assigned - Holyrood
4	Fuel Inventory - Diesel	3,989,970	180,771	189,252	3,526,209	50,623	43,114	Detailed Fuel Analysis
5	Fuel Inventory - Gas Turbine	3,254,538	3,091,509	-	-	-	163,029	Detailed Fuel Analysis
6	Inventory/Supplies	25,823,000	23,005,331	237,088	871,438	202,100	1,507,043	Prorated on Total Plant in Service, Schedule 2.2
7	Deferred Charges: Holyrood	-	-	-	-	-	-	Detailed Analysis
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	88,819,000	80,486,892	632,858	2,436,736	526,545	4,735,969	Prorated on Average Net Book Value - L. 1
9	Total Rate Base	1,629,088,648	1,478,004,461	11,386,080	46,596,697	9,371,364	83,730,047	
10	Less: Rural Portion	-	-	-	-	-	-	Schedule 2.6, L. 9
11	Rate Base Available for Equity Return	1,629,088,648	1,478,004,461	11,386,080	46,596,697	9,371,364	83,730,047	
Corporate Targets:								
12	Capital Structure: Percent of Debt	71.437% ⁽¹⁾						
13	Return	7.136%						
14	Weighted Average Return: Debt	5.098%						
15	Capital Structure: Percent of Equity	22.845% ⁽¹⁾						
16	Return	8.800%						
17	Weighted Average Return: Equity	2.010%						
18	Weighted Average Cost of Capital	7.108% ⁽²⁾						
Return on Rate Base by System (%):								
19	Return on Rate Base - Debt Component	-	5.098%	5.098%	5.098%	5.098%	5.098%	
20	Return on Rate Base - Equity Component	-	2.010%	2.010%	2.010%	2.010%	2.010%	
Return on Rate Base (\$):								
21	Return on Debt	83,046,774	75,344,888	580,433	2,375,380	477,728	4,268,344	Schedule 2.6, L.12
22	Return on Equity	32,750,476	29,713,147	228,901	936,759	188,398	1,683,272	Schedule 2.6, L.13
23	Return on Rate Base (\$) ⁽²⁾	115,797,250	105,058,035	809,334	3,312,140	666,126	5,951,616	Schedule 2.6, L.14
Return on Total Rate Base (%):								
24	Return on Rate Base - Debt Component	5.098%	5.098%	5.098%	5.098%	5.098%	5.098%	L. 21 divided by L.9
25	Return on Rate Base - Equity Component	2.010%	2.010%	2.010%	2.010%	2.010%	2.010%	L. 22 divided by L.9
26	Return on Rate Base (%)	7.108%	7.108%	7.108%	7.108%	7.108%	7.108%	L. 23 divided by L.9

⁽¹⁾ Debt and equity weightings reflect a 0.579% funded ARO and 4.355% component for Employee Future Benefits at 0% cost.

⁽²⁾ WACC has been adjusted so that the calculated Return on Rate Base reconciles to the Return (net income + interest expense) on Schedule X, Page X of X of the Finance evidence in the Compliance Application as it is net of certain Cost of Service exclusions (\$116,597,000 less \$1,124,000). This was necessary to ensure that the revenue shortfall reflected the appropriate allocated costs.

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
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 Credits (\$)	5 Deficit (\$)	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)
Total System								
1	Newfoundland Power	417,080,124	460,576,707	-	58,318,068	-	518,894,775	0.91
2	RSP Activity	66,352,616	-	-	-	-	-	
3	Subtotal Newfoundland Power	483,432,740	460,576,707	-	58,318,068	-	518,894,775	1.05
4	Island Industrial	26,833,303	30,093,430	-	-	-	30,093,430	0.89
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-	-
6	Labrador Industrial	1,931,530	1,931,530	-	-	-	1,931,530	1.00
7	CFB - Goose Bay Secondary	752,411	9,784	742,626	-	-	752,411	76.90
8	Rural Labrador Interconnected	19,730,211	16,971,638	-	2,148,943	-	19,120,581	1.16
Rural Deficit Areas								
9	Island Interconnected	53,211,799	77,344,521	-	(24,132,722)	-	53,211,799	0.69
10	Island Isolated	1,616,457	9,162,998	-	(7,546,541)	-	1,616,457	0.18
11	Labrador Isolated	7,917,225	33,609,821	-	(25,692,596)	-	7,917,225	0.24
12	L'Anse au Loup	2,956,944	6,794,722	-	(3,837,778)	-	2,956,944	0.44
13	Revenue Credit Applied to Deficit (100.0%)	-	-	(742,626)	742,626	-	-	-
14	Subtotal	65,702,424	126,912,062	(742,626)	(60,467,011)	-	65,702,424	0.52
15	Total	598,382,618	636,495,151	-	-	-	636,495,151	0.94

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
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)
Island Interconnected								
1	Newfoundland Power	417,080,124	460,576,707	-	58,318,068	-	518,894,775	
2	NLP RSP Activity	66,352,616					-	
3	Subtotal Newfoundland Power	483,432,740	460,576,707	-	58,318,068	-	518,894,775	1.05
4	Industrial - Firm	21,683,000	30,093,430	-			30,093,430	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	5,150,302					-	
7	Subtotal Industrial	26,833,303	30,093,430	-	-	-	30,093,430	0.89
8	Unallocated RSP Hydraulic Variation	-						
Rural								
9	1.1 Domestic	14,678,388	23,059,693	-	(8,381,306)		14,678,388	0.64
10	1.12 Domestic All Electric	18,498,938	28,767,528	-	(10,268,591)		18,498,938	0.64
11	1.3 Special	21,814	72,308	-	(50,494)		21,814	0.30
12	2.1 General Service 0-10 kW							
13	2.2 General Service 10-100 kW	9,810,837	12,624,091	-	(2,813,254)		9,810,837	0.78
14	2.3 General Service 110-1,000 kVa	6,116,636	7,889,157	-	(1,772,521)		6,116,636	0.78
15	2.4 General Service Over 1,000 kVa	3,073,210	3,664,655	-	(591,445)		3,073,210	0.84
16	4.1 Street and Area Lighting	1,011,976	1,267,089	-	(255,112)		1,011,976	0.80
17	Subtotal Rural	53,211,799	77,344,521	-	(24,132,722)	-	53,211,799	0.69
18	Total Island Interconnected	563,477,841	568,014,658	-	34,185,346	-	602,200,004	0.99

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit

Island Industrial Non-Firm Revenues, Ln 5, Col 2

-

Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3

-

Credit to be allocated to Island Interconnected Firm Customers

-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
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 (\$)	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)
Island Isolated								
1	1.2 Domestic Diesel	867,907	6,925,799		(6,057,892)		867,907	0.13
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	0	0		0		0	0.00
4	2.1 General Service 0-10 kW	215,144	888,459		(673,315)		215,144	0.24
5	2.2 GS 10-100 kW	492,122	887,453		(395,332)		492,122	0.55
6	2.3 GS 110-1,000 kVa	0	296,425		(296,425)		0	0.00
7	2.4 General Service Over 1,000 kVa	0	0		0		0	0.00
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	41,285	164,861		(123,577)		41,285	0.25
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	1,616,457	9,162,998		(7,546,541)		1,616,457	0.18

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
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 (\$)	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)
Labrador Isolated								
1	1.2 Domestic Diesel	3,506,542	18,175,410		(14,668,868)		3,506,542	0.19
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	0	0		0		0	0.00
4	2.1 General Service 0-10 kW	1,156,058	3,705,076		(2,549,018)		1,156,058	0.31
5	2.2 GS 10-100 kW	2,561,636	8,021,182		(5,459,546)		2,561,636	0.32
6	2.3 GS 110-1,000 kVa	325,935	1,780,060		(1,454,125)		325,935	0.18
7	2.4 General Service Over 1,000 kVa	250,320	1,587,471		(1,337,151)		250,320	0.16
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	116,734	340,622		(223,888)		116,734	0.34
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	7,917,225	33,609,821		(25,692,596)		7,917,225	0.24

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
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 (\$)	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)
	L'Anse au Loup							
1	1.1 Domestic	577,120	1,364,304		(787,184)		577,120	0.42
2	1.12 Domestic All Electric	1,258,276	3,110,559		(1,852,283)		1,258,276	0.40
3	2.1 General Service 0-10 kW	0	0		0		0	0.00
4	2.2 General Service 10-100 kW	819,144	1,730,326		(911,182)		819,144	0.47
5	2.3 General Service 110-1,000 kVa	253,818	523,351		(269,533)		253,818	0.48
6	4.1 Street and Area Lighting	48,586	66,182		(17,597)		48,586	0.73
7	Total L'Anse Au Loup	2,956,944	6,794,722		(3,837,778)		2,956,944	0.44

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador 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)
Labrador Interconnected								
1	Industrial IOCC Firm	1,931,530	1,931,530	-	-	-	1,931,530	1.00
2	Industrial IOCC Non-Firm	-	-	-	-	-	-	0.00
3	Subtotal Industrial	1,931,530	1,931,530	-	-	-	1,931,530	1.00
4	CFB - Goose Bay Secondary	752,411	9,784	742,626	-	-	752,411	76.90
Rural								
5	1.1 Domestic	114,936	211,516	-	26,782.11	-	238,298	0.54
6	1.1A Domestic All Electric	11,459,804	10,468,641	-	1,325,536	-	11,794,177	1.09
7	2.1 General Service 0-10 kW	426,828	329,665	-	41,742	-	371,407	1.29
8	2.2 General Service 10-100 kW	2,398,589	1,674,398	-	212,012	-	1,886,410	1.43
9	2.3 General Service 110-1,000 kVa	3,417,642	2,450,432	-	310,273	-	2,760,705	1.39
10	2.4 General Service Over 1,000 kVa	1,604,223	1,522,383	-	192,764	-	1,715,146	1.05
11	4.1 Street and Area Lighting	308,189	314,603	-	39,835	-	354,438	0.98
12	Subtotal Rural	19,730,211	16,971,638	-	2,148,943	-	19,120,581	1.16
13	Total Labrador Interconnected	22,414,151	18,912,952	742,626	2,148,943	-	21,804,522	1.19

Note1:

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2		752,411
CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3		(9,784)
CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5		-
Revenue Credit		<u>742,626</u>
Revenue Credit Applied to Deficit	100.0%	742,626
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		<u>-</u>
		<u>742,626</u>

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Rural Deficit Allocation

Line No.	1	2	3	4
	Rate Class			
	ALLOCATION OF REVENUE REQUIREMENT BEFORE DEFICIT AND REVENUE CREDIT			
			Schedule 1.2, Page 1 of 6	Percentage of Total
1	Island Interconnected		460,576,707	96.4%
2	Labrador Interconnected		16,971,638	3.6%
3	TOTAL RURAL DEFICIT			
	Total Rural Deficit:			60,467,011
			Revenue Requirement Percentage Applied (%)	Deficit Allocation Amount (\$)
	CUSTOMER DEFICIT ALLOCATION:			
	Island Interconnected:			
4	Newfoundland Power		96.4%	58,318,068
	Labrador Interconnected:			
5	Rural Labrador Interconnected		3.6%	2,148,943
6	Total		100.0%	<u>60,467,011</u>

* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected:	\$471.42
Labrador Interconnected:	\$455.84

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
		2	3	4	5	6	7	8	9	10	11
	Island Interconnected										
1	Newfoundland Power	9.49	-	0.05307	-	378,531.18	10.69	-	0.05979	-	426,460.67
2	Industrial - Firm	6.84	-	0.05304	-	32,080.33	6.84	-	0.05304	-	32,080.33
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-
	Rural										
4	1.1 Domestic	-	0.09856	0.05920	0.15776	36.16	-	-	-	-	-
5	1.12 Domestic All Electric	-	0.10358	0.05920	0.16278	36.16	-	-	-	-	-
6	1.3 Special	-	0.12475	0.05870	0.18346	35.85	-	-	-	-	-
7	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-	-	-
8	2.2 General Service 10-100 kW	50.40	-	0.05945	-	50.46	-	-	-	-	-
9	2.3 General Service 110-1,000 kVa	24.78	-	0.05949	-	64.23	-	-	-	-	-
10	2.4 General Service Over 1,000 kVa	16.26	-	0.05859	-	64.43	-	-	-	-	-
11	4.1 Street and Area Lighting	-	0.11850	0.05954	0.17804	68.20	-	-	-	-	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
Isolated Systems:											
1	1.2 Domestic Diesel	-	0.21179	0.62488	0.83667	49.93					
2	2.1 General Service 0-10 kW	-	0.18394	0.61868	0.80262	53.26					
3	2.2 GS 10-100 kW	50.77	-	0.60956	-	64.29					
4	2.3 GS 110-1,000 kVa	21.13	-	0.60383	-	84.26					
5	2.4 General Service Over 1,000 kVa	10.42	-	0.59710	-	76.63					
6	Subtotal Metered Demand Classes	38.39	-	0.60670	-	65.31					
7	4.1 Street and Area Lighting	-	0.28433	0.63263	0.91697	97.46					
Island Isolated											
8	1.2 Domestic Diesel	-	0.35360	0.72856	1.08216	67.57	-	-	-	-	-
9	2.1 General Service 0-10 kW	-	0.28995	0.73074	1.02069	75.76	-	-	-	-	-
10	2.2 GS 10-100 kW	138.70	-	0.73546	-	102.75	-	-	-	-	-
11	2.3 GS 110-1,000 kVa	131.44	-	0.72642	-	134.51	-	-	-	-	-
12	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-
13	4.1 Street and Area Lighting	-	0.44860	0.73113	1.17972	115.03	-	-	-	-	-
Labrador Isolated											
14	1.2 Domestic Diesel	-	0.17418	0.59738	0.77156	43.92	-	-	-	-	-
15	2.1 General Service 0-10 kW	-	0.16562	0.59931	0.76493	47.95	-	-	-	-	-
16	2.2 GS 10-100 kW	47.21	-	0.59852	-	60.67	-	-	-	-	-
17	2.3 GS 110-1,000 kVa	10.72	-	0.59632	-	76.53	-	-	-	-	-
18	2.4 General Service Over 1,000 kVa	10.42	-	0.59710	-	76.63	-	-	-	-	-
19	4.1 Street and Area Lighting	-	0.22985	0.59997	0.82982	90.30	-	-	-	-	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
L'Anse au Loup											
1	1.1 Domestic	-	0.06959	0.18595	0.25553	39.45	-	-	-	-	-
2	1.12 Domestic All Electric	-	0.08466	0.18567	0.27033	39.39	-	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	0.00	-	-	-	-	-
4	2.2 General Service 10-100 kW	23.46	-	0.18591	-	51.87	-	-	-	-	-
5	2.3 General Service 110-1,000 kVa	12.17	-	0.18644	-	64.09	-	-	-	-	-
6	4.1 Street and Area Lighting	-	0.08463	0.18724	0.27187	75.15	-	-	-	-	-
Labrador Interconnected											
7	Industrial - IOCC Firm	1.97	-	0.00107	-	6.03	1.97	-	0.00107	-	6.03
8	Industrial - IOCC Non-Firm	-	-	-	-	0.00	-	-	-	-	0.00
9	CFB - Goose Bay Secondary	-	-	0.00112	0.00112	0.00	-	-	0.00112	0.00112	0.00
Rural											
10	1.1 Domestic	-	0.01717	0.00115	0.01833	35.40	-	0.01935	0.00130	0.02065	39.88
11	1.1A Domestic All Electric	-	0.01880	0.00117	0.01997	35.83	-	0.02118	0.00132	0.02250	40.37
12	Subtotal Domestic	-	0.01879	0.00117	0.01996	35.82	-	0.02117	0.00132	0.02248	40.35
13	2.1 General Service 0-10 kW	-	0.01288	0.00118	0.01406	39.02	-	0.01451	0.00133	0.01584	43.96
14	2.2 General Service 10-100 kW	4.86	-	0.00118	-	48.86	5.48	-	0.00133	-	55.05
15	2.3 General Service 110-1,000 kVa	6.31	-	0.00118	-	61.02	7.11	-	0.00133	-	68.75
16	2.4 General Service Over 1,000 kVa	8.26	-	0.00115	-	61.09	9.31	-	0.00130	-	68.83
17	4.1 Street and Area Lighting	-	0.01986	0.00117	0.02103	61.07	0.00	0.02238	0.00132	0.02369	68.80

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.1
Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	2014 Test Year Cost of Service for 2014 Revenue Deficiency				2014 Test Year Cost of Service for 2014 Revenue Deficiency			
		Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total (\$)	Demand (\$)	Energy (\$)	Customer (\$)	Total (\$)	Demand (\$)	Energy (\$)	Customer (\$)
	Island Interconnected								
1	Newfoundland Power	460,576,707	139,565,470	316,468,863	4,542,374	518,894,775	157,237,203	356,540,044	5,117,528
2	Industrial - Firm	30,093,430	5,179,889	22,988,721	1,924,820	30,093,430	5,179,889	22,988,721	1,924,820
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-
	Rural								
4	1.1 Domestic	23,059,693	11,255,012	6,760,035	5,044,646	-	-	-	-
5	1.12 Domestic All Electric	28,767,528	16,067,586	9,183,134	3,516,808	-	-	-	-
6	1.3 Special	72,308	48,879	22,999	430	-	-	-	-
7	2.1 General Service 0-10 kW								
8	2.2 General Service 10-100 kW	12,624,091	6,120,672	4,744,226	1,759,193	-	-	-	-
9	2.3 General Service 110-1,000 kVa	7,889,157	4,365,317	3,456,287	67,553	-	-	-	-
10	2.4 General Service Over 1,000 kVa	3,664,655	1,778,460	1,879,236	6,958	-	-	-	-
11	4.1 Street and Area Lighting	1,267,089	337,556	169,603	759,929	-	-	-	-
12	Subtotal Rural	77,344,521	39,973,483	26,215,520	11,155,518				
13	Total Island Interconnected	568,014,658	184,718,841	365,673,105	17,622,712				

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.1
Page 2 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Isolated Systems:								
1	1.2 Domestic Diesel	25,101,208	5,934,487	17,509,197	1,657,524				
2	2.1 General Service 0-10 kW	4,593,535	977,533	3,287,943	328,059				
3	2.2 GS 10-100 kW	8,908,636	1,815,036	6,977,020	116,579				
4	2.3 GS 110-1,000 kVa	2,076,485	323,416	1,745,486	7,583				
5	2.4 General Service Over 1,000 kVa	1,587,471	66,396	1,520,155	920				
6	Subtotal Metered Demand Classes	12,572,592	2,204,849	10,242,662	125,081				
7	4.1 Street and Area Lighting	505,483	114,680	255,161	135,642				
8	Total Isolated Systems	42,772,819	9,231,549	31,294,964	2,246,306				
	Island Isolated								
9	1.2 Domestic Diesel	6,925,799	2,076,886	4,279,276	569,636	-	-	-	-
10	2.1 General Service 0-10 kW	888,459	227,076	572,287	89,096	-	-	-	-
11	2.2 GS 10-100 kW	887,453	192,657	678,767	16,029	-	-	-	-
12	2.3 GS 110-1,000 kVa	296,425	173,499	121,313	1,614	-	-	-	-
13	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-
14	4.1 Street and Area Lighting	164,861	45,064	73,445	46,352	-	-	-	-
15	Total Island Isolated	9,162,998	2,715,182	5,725,088	722,728				
	Labrador Isolated								
16	1.2 Domestic Diesel	18,175,410	3,857,601	13,229,921	1,087,888	-	-	-	-
17	2.1 General Service 0-10 kW	3,705,076	750,457	2,715,657	238,963	-	-	-	-
18	2.2 GS 10-100 kW	8,021,182	1,622,379	6,298,253	100,549	-	-	-	-
19	2.3 GS 110-1,000 kVa	1,780,060	149,917	1,624,174	5,969	-	-	-	-
20	2.4 General Service Over 1,000 kVa	1,587,471	66,396	1,520,155	920	-	-	-	-
21	4.1 Street and Area Lighting	340,622	69,616	181,716	89,290	-	-	-	-
22	Total Labrador Isolated	33,609,821	6,516,367	25,569,876	1,523,578				

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.1
Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	L'Anse au Loup								
1	1.1 Domestic	1,364,304	319,186	852,931	192,187	-	-	-	-
2	1.12 Domestic All Electric	3,110,559	917,045	2,011,299	182,215	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-
4	2.2 General Service 10-100 kW	1,730,326	406,050	1,196,047	128,229	-	-	-	-
5	2.3 General Service 110-1,000 kVa	523,351	95,419	424,087	3,845	-	-	-	-
6	4.1 Street and Area Lighting	66,182	11,619	25,705	28,859	-	-	-	-
7	Total L'Anse au Loup	6,794,722	1,749,318	4,510,069	535,334				
	Labrador Interconnected								
8	Industrial - IOCC Firm	1,931,530	1,781,870	149,588	72	1,931,530	1,781,870	149,588	72
9	Industrial - IOCC Non-Firm	-	-	-	-	-	-	-	-
10	CFB - Goose Bay Secondary	9,784	-	9,784	-	9,784	-	9,784	-
	Rural								
11	1.1 Domestic	211,516	43,967	2,957	164,593	238,298	49,534	3,331	185,433
12	1.1A Domestic All Electric	10,468,641	6,174,347	383,921	3,910,374	11,794,177	6,956,141	432,533	4,405,504
13	Subtotal Domestic	10,680,158	6,218,314	386,877	4,074,967	12,032,476	7,005,675	435,864	4,590,937
14	2.1 General Service 0-10 kW	329,665	90,788	8,293	230,584	371,407	102,283	9,343	259,780
15	2.2 General Service 10-100 kW	1,674,398	1,177,252	91,374	405,772	1,886,410	1,326,315	102,944	457,151
16	2.3 General Service 110-1,000 kVa	2,450,432	2,181,890	151,563	116,979	2,760,705	2,458,160	170,754	131,791
17	2.4 General Service Over 1,000 kVa	1,522,383	1,427,917	90,433	4,032	1,715,146	1,608,720	101,884	4,542
18	4.1 Street and Area Lighting	314,603	35,501	2,088	277,014	354,438	39,996	2,352	312,089
19	Subtotal Rural	16,971,638	11,131,662	730,629	5,109,347	19,120,581	12,541,149	823,141	5,756,291
20	Total Labrador Interconnected	18,912,952	12,913,532	890,001	5,109,420	21,061,896	14,323,019	982,513	5,756,364

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.2
Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
	Island Interconnected				
1	Newfoundland Power	14,704,512	5,962,800	1	12
2	Industrial - Firm	757,644	433,400	5	60
3	Industrial - Non-Firm	290	-	-	-
	Rural				
4	1.1 Domestic	-	114,193	11,627	139,524
5	1.12 Domestic All Electric	-	155,123	8,106	97,266
6	1.3 Special	-	392	1	12
7	2.1 General Service 0-10 kW	-	-	-	-
8	2.2 General Service 10-100 kW	121,439	79,804	2,905	34,861
9	2.3 General Service 110-1,000 kVa	176,150	58,096	88	1,052
10	2.4 General Service Over 1,000 kVa	109,397	32,074	9	108
11	4.1 Street and Area Lighting	-	2,849	929	11,142
12	Subtotal Rural	406,986	442,530	23,664	283,965
13	Total Island Interconnected	15,869,432	6,838,730	23,670	284,037

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.2
Page 2 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
Isolated Systems:					
1	1.2 Domestic Diesel	-	28,020	2,767	33,198
2	2.1 General Service 0-10 kW	-	5,314	513	6,160
3	2.2 GS 10-100 kW	35,751	11,446	151	1,813
4	2.3 GS 110-1,000 kVa	15,305	2,891	8	90
5	2.4 General Service Over 1,000 kVa	6,373	2,546	1	12
6	Subtotal Metered Demand Classes	57,429	16,883	160	1,915
7	4.1 Street and Area Lighting	-	403	116	1,392
8	Total Isolated Systems	57,429	50,621	3,555	42,665
Island Isolated					
9	1.2 Domestic Diesel	-	5,874	703	8,430
10	2.1 General Service 0-10 kW	-	783	98	1,176
11	2.2 GS 10-100 kW	1,389	923	13	156
12	2.3 GS 110-1,000 kVa	1,320	167	1	12
13	2.4 General Service Over 1,000 kVa	-	-	-	-
14	4.1 Street and Area Lighting	-	100	34	403
15	Total Island Isolated	2,709	7,847	848	10,177
Labrador Isolated					
16	1.2 Domestic Diesel	-	22,147	2,064	24,768
17	2.1 General Service 0-10 kW	-	4,531	415	4,984
18	2.2 GS 10-100 kW	34,362	10,523	138	1,657
19	2.3 GS 110-1,000 kVa	13,985	2,724	7	78
20	2.4 General Service Over 1,000 kVa	6,373	2,546	1	12
21	4.1 Street and Area Lighting	-	303	82	989
22	Total Labrador Isolated	54,720	42,774	2,707	32,488

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.3.2
Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	1 Rate Class	Units			
		2 Billing Demands (kW)	3 Sales (MWh)	4 Customers	5 Bills (Total No)
L'Anse au Loup					
1	1.1 Domestic	-	4,587	406	4,872
2	1.12 Domestic All Electric	-	10,832	386	4,626
3	2.1 General Service 0-10 kW	-	-	-	-
4	2.2 General Service 10-100 kW	17,310	6,433	206	2,472
5	2.3 General Service 110-1,000 kVa	7,843	2,275	5	60
6	4.1 Street and Area Lighting	-	137	32	384
7	Total L'Anse au Loup	25,153	24,265	1,035	12,414
Labrador Interconnected					
8	Industrial - IOCC Firm	904,182	139,400	1	12
9	Industrial - IOCC Non-Firm	-	-	-	-
10	CFB - Goose Bay Secondary	-	8,700	-	-
Rural					
11	1.1 Domestic	-	2,560	388	4,650
12	1.1A Domestic All Electric	-	328,397	9,094	109,122
13	Subtotal Domestic	-	330,957	9,481	113,772
14	2.1 General Service 0-10 kW	-	7,048	493	5,910
15	2.2 General Service 10-100 kW	242,231	77,464	692	8,304
16	2.3 General Service 110-1,000 kVa	345,694	128,830	160	1,917
17	2.4 General Service Over 1,000 kVa	172,850	78,321	6	66
18	4.1 Street and Area Lighting	-	1,787	378	4,536
19	Subtotal Rural	760,775	624,408	11,209	134,505
20	Total Labrador Interconnected	1,664,957	772,508	11,210	134,517

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Value of Newfoundland Power Thermal Generation Credit

Line No.	Description	Amount	Source
1	Island Interconnected System:		
2	Generation demand costs (\$)	126,830,434	Sch 2.1A, C. 3, Ln 24
3	Coincident peak (kW)	<u>1,477,764</u>	Sch 3.1A, C. 3, Ln 13
4	Generation demand costs (\$/kW)	85.83	Ln 2 / Ln 3
5	NP thermal generation capacity credit (kW)	<u>32,892</u>	(1)
6	Gross value of credit to NP (\$)	<u>2,823,120</u>	Ln 4 x Ln 5
7	Less NP's cost share:		
8	Percentage	<u>90.25%</u>	Sch 3.1A, C. 5, Ln 14
9	Amount (\$)	<u>(2,547,779)</u>	Ln 6 x Ln 8
10	Net value of credit to NP (\$)	<u><u>275,342</u></u>	Ln 6 - Ln 9

(1) NP gas turbine and diesel generation capacity (kW)	37,826
÷ System reserve	<u>1.15</u>
NP thermal generation capacity credit (kW)	<u><u>32,892</u></u>

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.6
Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Calculation of Firming Up Charge**

	1	2	3	4
Line No.	Description	Total	Gas Turbine	Transmission & Terminals
1	Operating & Maintenance	8,601,950	2,220,919	6,381,032
2	O&M Overhead	6,883,585	2,592,819	4,290,766
3	Depreciation	6,546,560	1,273,691	5,272,869
4	Return	13,788,385	1,905,260	11,883,125
5	Total	35,820,480	7,992,688	27,827,792
6	Capacity (kW)		223,500	1,742,100
7	Cost (\$/kW)	\$51.74	\$35.76	\$15.97
8	Rate (\$/kWh)	\$0.01137		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 1.7
Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Calculation of Transmission Wheeling Charge**

	1	2
Line No.	Description	
1	Island Interconnected Transmission Revenue Requirement	27,966,729
2	Transmission Energy Output (MWh)	6,882,300
3	Rate (\$/kWh)	\$0.00406

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Island Interconnected
 Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
Expenses																		
1	Operating & Maintenance	90,889,100	36,733,716	19,791,248	10,671,798	4,125,686	1,480,683	5,699,381	1,504,357	387,639	686,153	852,642	941,694	386,468	331,042	139,332	2,391,796	2,830,642
2	Fuels-No. 6 Fuel	256,467,455	-	256,467,455	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	896,358	896,358	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	6,253,554	6,253,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Supply Deferral	(1,422,387)	(1,422,387)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Power Purchases-Other	60,294,118	25,250,828	34,347,483	-	695,808	-	-	-	-	-	-	-	-	-	-	-	-
8	Depreciation	49,563,504	21,569,723	14,246,969	5,272,869	2,661,888	589,503	1,764,330	486,396	221,807	392,617	257,708	292,901	78,545	235,411	138,770	180,693	1,173,375
Expense Credits																		
9	Sundry	(453,915)	(183,454)	(98,841)	(53,297)	(20,604)	(7,395)	(28,464)	(7,513)	(1,936)	(3,427)	(4,258)	(4,703)	(1,930)	(1,653)	(696)	(11,945)	(14,137)
10	Building Rental Income	(21,230)	(8,232)	(6,403)	(2,699)	(1,196)	(240)	(931)	(246)	(63)	(112)	(139)	(154)	(63)	(49)	(23)	-	(681)
11	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Suppliers' Discounts	(104,348)	(42,173)	(22,722)	(12,252)	(4,737)	(1,700)	(6,543)	(1,727)	(445)	(788)	(979)	(1,081)	(444)	(380)	(160)	(2,746)	(3,250)
13	Pole Attachments	(1,149,734)	-	-	-	-	-	(664,947)	(227,247)	-	-	(117,696)	(139,844)	-	-	-	-	-
14	Secondary Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Application Fees	(11,572)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,572)	-
17	Meter Test Revenues	(2,095)	-	-	-	-	-	-	-	-	-	-	-	-	(2,095)	-	-	-
18	Total Expense Credits	(1,742,894)	(233,860)	(127,966)	(68,247)	(26,537)	(9,335)	(700,884)	(236,733)	(2,444)	(4,327)	(123,072)	(145,782)	(2,437)	(4,177)	(879)	(26,263)	(18,067)
19	Subtotal Expenses	461,198,809	89,047,931	324,725,189	15,876,420	7,456,846	2,060,852	6,762,827	1,754,019	607,002	1,074,444	987,277	1,088,813	462,576	562,276	277,224	2,546,226	3,985,950
20	Disposal Gain / Loss	1,757,820	643,442	618,375	207,184	88,759	18,668	67,551	19,363	5,786	10,242	10,871	12,157	4,661	3,816	1,907	2,819	42,219
21	Subtotal Revenue Requirement Ex. Return	462,956,630	89,691,374	325,343,564	16,083,604	7,545,604	2,079,520	6,830,378	1,773,383	612,788	1,084,685	998,148	1,100,969	467,236	566,092	279,131	2,549,045	4,028,169
22	Return on Debt	75,344,888	26,635,167	28,291,943	8,522,268	3,652,348	768,385	2,783,757	796,753	237,503	420,400	447,386	500,184	191,995	157,078	78,384	117,384	1,743,951
23	Return on Equity	29,713,147	10,503,893	11,157,262	3,360,857	1,440,347	303,022	1,097,808	314,209	93,662	165,790	176,432	197,254	75,716	61,946	30,912	46,292	687,747
24	Total Revenue Reqmt	568,014,665	126,830,434	364,792,769	27,966,729	12,638,299	3,150,927	10,711,943	2,884,345	943,953	1,670,876	1,621,966	1,798,407	734,947	785,116	388,426	2,712,721	6,459,867

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1A

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	Revenue Related		21	Basis of Functional Classification
		19	20		
	Description	Municipal Tax	PUB Assessment		
Expenses					
1	Operating & Maintenance	1,238,202	696,622		Carryforward from Sch.2.4 L.30
2	Fuels-No. 6 Fuel	-	-		Production - Demand, Energy ratios Sch.4.1 L.10
3	Fuels-Diesel	-	-		Production - Demand, Energy ratios Sch.4.1 L.12
4	Fuels-Gas Turbine	-	-		Production - Demand, Energy ratios Sch.4.1 L.11
5	Fuel Supply Deferral				
6	Power Purchases -CF(L)Co	-	-		
7	Power Purchases-Other	-	-		Carryforward from Sch.4.4 L.8
8	Depreciation	-	-		Carryforward from Sch.2.5 L.40
Expense Credits					
9	Sundry	(6,184)	(3,479)		Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
10	Building Rental Income	-	-		Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.34
11	Tax Refunds	-	-		Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
12	Suppliers' Discounts	(1,422)	(800)		Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30
13	Pole Attachments	-	-		Prorated on Distribution Poles - Sch.4.1 L.37
14	Secondary Energy	-	-		Production - Energy
15	Wheeling Revenues	-	-		Transmission - Demand
16	Application Fees	-	-		Accounting - Customer
17	Meter Test Revenues	-	-		Meters - Customer
18	Total Expense Credits	(7,605)	(4,279)		
19	Subtotal Expenses	1,230,596	692,343		
20	Disposal Gain / Loss	-	-		Prorated on Total Net Book Value - Sch.2.3 L.40
21	Subtotal Revenue Requirement Ex. Return	1,230,596	692,343		
22	Return on Debt	-	-		Prorated on Rate Base - Sch.2.6 L.9
23	Return on Equity	-	-		Prorated on Rate Base - Sch.2.6 L.11
24	Total Revenue Reqmt	1,230,596	692,343		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2A
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected

Line No.	1	2	3	4	5	6	Functional Classification of Plant in Service for the Allocation of O&M Expense										17	18	
							Production and Transmission	Transmission	Rural Prod & Transmission	Distribution			Services	Meters	Street Lighting	Accounting			Specifically Assigned Customer
										Substations	Primary Lines	Line Transformers							
Description	Total Amount (\$)	Production Demand (\$)	Transmission Energy (\$)	Transmission Demand (\$)	Rural Prod & Transmission Demand (\$)	Substations Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
Production																			
Hydraulic																			
1	Bay D'Espoir	212,964,079	98,835,228	114,128,851	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Upper Salmon	174,680,847	81,068,232	93,612,616	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Hinds Lake	82,502,333	38,288,790	44,213,543	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Cat Arm	272,142,460	126,299,525	145,842,935	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Paradise River	22,136,202	10,273,266	11,862,936	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Granite Canal	112,087,573	52,019,105	60,068,468	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Other Hydraulic	4,940,520	2,292,863	2,647,657	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	Subtotal Hydraulic	881,454,015	409,077,009	472,377,007	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Holyrood	250,169,793	190,404,230	59,765,564	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	Gas Turbines	91,040,857	91,040,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Diesel	9,160,474	9,160,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Subtotal Production	1,231,825,139	699,682,568	532,142,570	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transmission																			
14	Lines	280,860,908	-	-	158,276,706	86,425,116	-	-	-	-	-	-	-	-	-	-	36,159,085		
15	Lines - Hydraulic	55,792,306	25,892,842	29,899,464	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	Terminal Stations	136,031,757	-	-	87,620,639	22,559,415	-	-	-	-	-	-	-	-	-	-	25,851,703		
17	Term Stns - Hydraulic	36,009,006	16,711,543	19,297,463	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Term Stns - Holyrood	8,811,727	6,706,606	2,105,122	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Term Stns - Gas Tur/Dsl	700,311	700,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Term Stns - Distribution	12,710,384	-	-	-	-	12,710,384	-	-	-	-	-	-	-	-	-	-		
21	Subtotal Term Stns	194,263,184	24,118,459	21,402,585	87,620,639	22,559,415	12,710,384	-	-	-	-	-	-	-	-	-	25,851,703		
22	Subtotal Transmission	530,916,398	50,011,301	51,302,049	245,897,345	108,984,531	12,710,384	-	-	-	-	-	-	-	-	-	62,010,788		
Distribution																			
23	Substations	9,573,234	414,826	-	-	-	9,158,408	-	-	-	-	-	-	-	-	-	-		
24	Land & Land Improvements	3,742,184	-	-	-	-	-	2,821,420	359,437	-	-	327,254	234,074	-	-	-	-		
25	Poles	101,966,933	-	-	-	-	-	58,972,372	20,153,968	-	-	10,438,151	12,402,442	-	-	-	-		
26	Primary Conductor & Eqpt	16,512,258	-	-	-	-	-	14,646,373	1,865,885	-	-	-	-	-	-	-	-		
27	Submarine Conductor	8,345,651	-	-	-	-	-	8,345,651	-	-	-	-	-	-	-	-	-		
28	Transformers	15,974,079	-	-	-	-	-	-	-	5,766,642	10,207,436	-	-	-	-	-	-		
29	Secondary Conductor&Eqpt	3,291,191	-	-	-	-	-	-	-	-	-	1,918,765	1,372,427	-	-	-	-		
30	Services	5,749,220	-	-	-	-	-	-	-	-	-	-	-	5,749,220	-	-	-		
31	Meters	4,429,506	-	-	-	-	-	-	-	-	-	-	-	-	4,429,506	-	-		
32	Street Lighting	2,072,755	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072,755	-		
33	Subtotal Distribution	171,657,010	414,826	-	-	-	9,158,408	84,785,815	22,379,290	5,766,642	10,207,436	12,684,169	14,008,942	5,749,220	4,429,506	2,072,755	-		
34	Subttl Prod, Trans, & Dist	1,934,398,546	750,108,695	583,444,619	245,897,345	108,984,531	21,868,792	84,785,815	22,379,290	5,766,642	10,207,436	12,684,169	14,008,942	5,749,220	4,429,506	2,072,755	-		
35	General	180,251,593	76,582,866	40,442,333	19,954,426	7,356,989	2,982,502	11,142,031	2,940,949	757,817	1,341,399	1,666,876	1,840,969	755,527	666,433	272,389	6,172,822		
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
37	Feasibility Studies	1,051,579	1,051,579	-	-	-	0	-	-	-	-	-	-	-	-	-	-		
38	Feasibility Studies - General	200,794	77,863	60,563	25,525	11,313	2,270	8,801	2,323	599	1,060	1,317	1,454	597	460	215	6,437		
39	Software - General	4,444,444	1,723,438	1,340,513	564,970	250,401	50,245	194,803	51,418	13,249	23,452	29,143	32,187	13,209	10,177	4,762	142,475		
40	Total Plant	2,120,346,956	829,544,440	625,288,027	266,442,266	116,603,234	24,903,809	96,131,449	25,373,980	6,538,307	11,573,347	14,381,505	15,883,552	6,518,553	5,106,576	2,350,121	6,172,822		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	19
	Production	
	Hydraulic	
1	Bay D'Espoir	Production - Demand, Energy ratios Sch.4.1 L.1
2	Upper Salmon	Production - Demand, Energy ratios Sch.4.1 L.1
3	Hinds Lake	Production - Demand, Energy ratios Sch.4.1 L.1
4	Cat Arm	Production - Demand, Energy ratios Sch.4.1 L.1
5	Paradise River	Production - Demand, Energy ratios Sch.4.1 L.1
6	Granite Canal	Production - Demand, Energy ratios Sch.4.1 L.1
7	Other Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.1, 2
8	Subtotal Hydraulic	
9	Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
10	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.4
11	Roddickton	Production - Demand, Energy ratios Sch.4.1 L.3
12	Diesel	Production - Demand, Energy ratios Sch.4.1 L.5
13	Subtotal Production	
	Transmission	
14	Lines	Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
15	Lines - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.17
16	Terminal Stations	Production - Demand, Energy subtotals, L. 13; Transmission - Demand; Spec Assigned - Custmr
17	Term SIns - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.20
18	Term SIns - Holyrood	Production - Demand, Energy ratios Sch.4.1 L.21
19	Term SIns - Gas Tur/Dsl	Production - Demand, Energy ratios Sch.4.1 L.22, 23
20	Term SIns - Distribution	Distribution - Substations Demand
21	Subtotal Term SIns	
22	Subtotal Transmission	
	Distribution	
23	Substations	Production - Demand; Dist SubsIns - Demand
24	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
25	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
26	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
27	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
28	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
29	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
30	Services	Services Customer
31	Meters	Meters - Customer
32	Street Lighting	Street Lighting - Customer
33	Subtotal Distribution	
34	Subttl Prod, Trans, & Dist	
35	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.15, 16
36	Telecontrol - Custmr & Spec	Specifically Assigned - Customer
37	Feasibility Studies	Production, Transmission - Demand
38	Feasibility Studies - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
39	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
40	Total Plant	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO 2014 Test Year Cost of Service for 2014 Revenue Deficiency Island Interconnected Functional Classification of Net Book Value																			
Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution											17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand Customer (\$) (\$)		9 Line Transformers Demand Customer (\$) (\$)		10 Secondary Lines Demand Customer (\$) (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)			
	Production																		
	Hydraulic																		
1	Bay D'Espoir	138,802,767	64,417,451	74,385,316	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Upper Salmon	153,416,151	71,199,426	82,216,725	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Hinds Lake	69,721,472	32,357,276	37,364,196	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Cat Arm	240,549,400	111,637,394	128,912,007	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Paradise River	18,957,343	8,797,978	10,159,365	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Granite Canal	101,986,949	47,331,472	54,655,477	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Other Small Hydraulic	3,040,397	1,411,028	1,629,369	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	Subtotal Hydraulic	726,474,480	337,152,026	389,322,454	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Holyrood	71,903,872	54,726,037	17,177,835	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	Gas Turbines	21,269,869	21,269,869	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Diesel	2,182,371	2,182,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Subtotal Production	821,830,593	415,330,304	406,500,289	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Transmission																		
14	Lines	167,068,989	-	-	101,607,084	47,469,714	-	-	-	-	-	-	-	-	-	-	17,992,191		
15	Lines - Hydraulic	46,461,509	21,562,481	24,899,028	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	Terminal Stations	72,026,967	-	-	44,905,858	15,699,870	-	-	-	-	-	-	-	-	-	-	11,421,239		
17	Term Sns - Hydraulic	22,329,172	10,362,822	11,966,350	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Term Sns - Holyrood	1,607,435	1,223,419	384,016	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Term Sns - Gas Tur/Dsl	415,255	415,255	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Term Sns - Distribution	8,875,293	-	-	-	-	8,875,293	-	-	-	-	-	-	-	-	-	-		
21	Subtotal Term Sns	105,254,123	12,001,496	12,350,367	44,905,858	15,699,870	8,875,293	-	-	-	-	-	-	-	-	-	11,421,239		
22	Subtotal Transmission	318,784,621	33,563,977	37,249,395	146,512,942	63,169,584	8,875,293	-	-	-	-	-	-	-	-	-	29,413,430		
	Distribution																		
23	Substations	4,065,676	139,790	-	-	-	3,925,886	-	-	-	-	-	-	-	-	-	-		
24	Land & Land Improvements	2,466,281	-	-	-	-	-	1,859,452	236,886	-	-	215,676	154,266	-	-	-	-		
25	Poles	62,411,009	-	-	-	-	-	36,095,282	12,335,661	-	-	6,388,890	7,591,176	-	-	-	-		
26	Primary Conductor & Eqpt	6,699,253	-	-	-	-	-	5,942,238	757,016	-	-	-	-	-	-	-	-		
27	Submarine Conductor	2,306,387	-	-	-	-	-	2,306,387	-	-	-	-	-	-	-	-	-		
28	Transformers	11,146,616	-	-	-	-	-	-	-	4,023,928	7,122,688	-	-	-	-	-	-		
29	Secondary Conductor&Eqpt	1,498,384	-	-	-	-	-	-	-	-	-	873,558	624,826	-	-	-	-		
30	Services	3,192,140	-	-	-	-	-	-	-	-	-	-	-	3,192,140	-	-	-		
31	Meters	2,597,571	-	-	-	-	-	-	-	-	-	-	-	-	2,597,571	-	-		
32	Street Lighting	1,318,556	-	-	-	-	-	-	-	-	-	-	-	-	-	1,318,556	-		
33	Subtotal Distribution	97,701,875	139,790	-	-	-	3,925,886	46,203,360	13,329,563	4,023,928	7,122,688	7,478,125	8,370,268	3,192,140	2,597,571	1,318,556	-		
34	Subttl Prod, Trans, & Dist	1,238,317,089	449,034,070	443,749,684	146,512,942	63,169,584	12,801,179	46,203,360	13,329,563	4,023,928	7,122,688	7,478,125	8,370,268	3,192,140	2,597,571	1,318,556	-		
35	General	61,123,569	25,969,357	13,714,052	6,766,574	2,494,765	1,011,371	3,778,278	997,280	256,977	454,870	565,240	624,275	256,200	225,988	92,367	2,093,213	1,822,761	
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
37	Feasibility Studies	1,051,579	1,051,579	-	-	-	-	0	-	-	-	-	-	-	-	-	-		
38	Feasibility Studies - General	6,273	2,275	2,248	742	320	65	234	68	20	36	38	42	16	13	7	-	149	
39	Software - General	4,532,143	1,643,429	1,624,089	536,226	231,196	46,851	169,101	48,785	14,727	26,068	27,369	30,635	11,683	9,507	4,826	-	107,651	
40	Total Net Book Value	1,305,030,654	477,700,711	459,090,073	153,816,484	65,895,864	13,859,466	50,150,973	14,375,695	4,295,653	7,603,663	8,070,772	9,025,220	3,460,039	2,833,080	1,415,756	2,093,213	31,343,991	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4A
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO 2014 Test Year Cost of Service for 2014 Revenue Deficiency Island Interconnected

Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount	3 Production Demand	4 Production and Energy Demand	5 Transmission Demand	6 Rural Prod & Demand	Distribution										17 Accounting Customer	18 Specifically Assigned Customer
							7 Substations		8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services	12 Meters		
		(\$)	(\$)	(\$)	(\$)	(\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)
Production																		
1	Hydraulic	11,578,826	5,373,657	6,205,169	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Holyrood / Thermal	18,017,556	13,713,162	4,304,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Gas Turbine	2,019,731	2,019,731	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Diesel	568,289	568,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	2,316,198	1,315,612	1,000,587	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Production	34,500,600	22,990,450	11,510,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																		
8	Transmission Lines	4,020,019	309,190	357,033	1,890,003	1,032,013	-	-	-	-	-	-	-	-	-	-	-	431,780
9	Terminal Stations	7,995,729	992,698	880,915	3,606,401	928,529	523,150	-	-	-	-	-	-	-	-	-	-	1,064,037
10	Other	1,909,999	179,918	184,562	884,628	392,077	45,726	-	-	-	-	-	-	-	-	-	-	223,087
11	Subtotal Transmission	13,925,747	1,481,806	1,422,510	6,381,032	2,352,620	568,876	-	-	-	-	-	-	-	-	-	-	1,718,904
Distribution																		
12	Other	7,027,494	17,432	-	-	-	384,869	3,563,001	940,457	242,335	428,953	533,034	588,706	241,603	-	87,105	-	-
13	Meters	213,112	-	-	-	-	-	-	-	-	-	-	-	-	213,112	-	-	-
14	Subtotal Distribution	7,240,607	17,432	-	-	-	384,869	3,563,001	940,457	242,335	428,953	533,034	588,706	241,603	213,112	87,105	-	-
15	Subtl Prod, Trans, & Dist	55,666,954	24,489,688	12,932,660	6,381,032	2,352,620	953,745	3,563,001	940,457	242,335	428,953	533,034	588,706	241,603	213,112	87,105	-	1,718,904
16	Customer Accounting	1,973,947	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,973,947	-
Administrative & General:																		
Plant-Related:																		
17	Production	6,036,164	3,428,570	2,607,594	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Prod - Gas Turb & Diesel	1,498,273	1,498,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Transmission	4,900,035	461,574	473,487	2,269,483	1,005,861	117,309	-	-	-	-	-	-	-	-	-	-	572,322
20	Distribution	2,332,788	5,637	-	-	-	124,461	1,152,224	304,131	78,368	138,717	172,376	190,379	78,131	60,196	28,168	-	-
21	Prod, Trans, Distn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Prod, Trans, Distn and General Plant	280,617	109,786	82,754	35,262	15,432	3,296	12,722	3,358	865	1,532	1,903	2,102	863	676	311	817	8,938
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	1,309,036	245,619	83,655	400,970	177,715	35,660	138,255	36,493	9,403	16,645	20,683	22,844	9,375	7,223	3,380	-	101,117
24	Property Insurance	1,713,300	849,061	629,786	114,058	31,719	26,349	11,814	3,118	803	1,422	1,767	1,952	801	707	289	6,545	33,109
Revenue-Related:																		
25	Municipal Tax	1,238,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	PUB Assessment	696,622	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	All Expense-Related	11,986,572	5,092,693	2,689,379	1,326,952	489,233	198,334	740,935	195,571	50,394	89,202	110,846	122,423	50,242	44,317	18,114	410,487	357,451
28	Prod, Trans, and Distn Expense-Related	1,256,591	552,815	291,934	144,041	53,107	21,529	80,429	21,229	5,470	9,683	12,032	13,289	5,454	4,811	1,966	-	38,801
29	Subtotal Admin & General	33,248,200	12,244,028	6,858,588	4,290,766	1,773,066	526,938	2,136,380	563,899	145,304	257,201	319,608	352,988	144,865	117,929	52,228	417,849	1,111,738
30	Total Operating & Maintenance Expenses	90,889,100	36,733,716	19,791,248	10,671,798	4,125,686	1,480,683	5,699,381	1,504,357	387,639	686,153	852,642	941,694	386,468	331,042	139,332	2,391,796	2,830,642

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO				
2014 Test Year Cost of Service for 2014 Revenue Deficiency				
Island Interconnected				
Functional Classification of Operating & Maintenance Expense (CONT'D.)				
Line No.	Description	Revenue Related		Basis of Functional Classification
		19 Municipal Tax	20 PUB Assessment	
	Production			
1	Hydraulic	-	-	Prorated on Hydraulic Plant in Service - Sch.2.2 L.8
2	Holyrood / Thermal	-	-	Prorated on Holyrood Plant in Service - Sch.2.2 L.9
3	Roddickton	-	-	Prorated on Roddickton Plant in Service - Sch.2.2 L.11
4	Gas Turbine	-	-	Prorated on Gas Turbines Plant in Service - Sch.2.2 L.10
5	Diesel	-	-	Prorated on Diesel Plant in Service - Sch.2.2 L.12
6	Other	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
7	Subtotal Production	-	-	
	Transmission			
8	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.14, 15
9	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.21
10	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
11	Subtotal Transmission	-	-	
	Distribution			
12	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 33, less L. 31
13	Meters	-	-	Meters - Customer
14	Subtotal Distribution	-	-	
15	Subttl Prod, Trans, & Dist	-	-	
16	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
17	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
18	Prod - Gas Turb & Diesel	-	-	Prorated on Gas Turbine & Diesel Production Plant in Service - Sch.2.2 L.10, 12
19	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
20	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.33
21	Prod, Trans, Distn	-	-	Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.34
22	Prod, Trans, Distn and General Plant	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 40
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 34 Less L. 8 and L. 9
24	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.13, 21, 23, 35 - 36
	Revenue-Related:			
25	Municipal Tax	1,238,202	-	Revenue-related
26	PUB Assessment	-	696,622	Revenue-related
27	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 15, 16
28	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L 15
29	Subtotal Admin & General	1,238,202	696,622	
30	Total Operating & Maintenance Expenses	1,238,202	696,622	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.5A
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected

Functional Classification of Depreciation Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	7-16 Distribution											17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
								8 Substations Demand (\$)		9 Primary Lines Customer (\$)		10 Line Transformers Demand (\$)		11 Secondary Lines Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
								7	8	9	10	11	12	13	14	15	16			
	Production Hydraulic																			
1	Bay D'Espoir	3,928,205	1,823,054	2,105,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	3,032,543	1,407,383	1,625,160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	1,375,432	638,329	737,103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	5,422,788	2,516,680	2,906,108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	447,292	207,585	239,707	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	2,418,851	1,122,573	1,296,278	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	68,525	31,802	36,723	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Subtotal Hydraulic	16,693,636	7,747,407	8,946,229																
9	Holyrood	11,328,121	8,621,833	2,706,288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	1,036,099	1,036,099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	85,849	85,849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Subtotal Production Transmission	29,143,705	17,491,188	11,652,517																
14	Lines	5,651,388	-	-	3,339,567	1,701,351	-	-	-	-	-	-	-	-	-	-	-	-	610,471	
15	Lines - Hydraulic	1,399,044	649,287	749,757	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Terminal Stations	2,341,808	-	-	1,258,236	697,723	-	-	-	-	-	-	-	-	-	-	-	-	385,849	
17	Term Stns - Hydraulic	731,515	339,491	392,024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Term Stns - Holyrood	64,577	49,150	15,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Term Stns - Gas Tur/Dsl	14,370	14,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Term Stns - Distribution	333,736	-	-	-	-	333,736	-	-	-	-	-	-	-	-	-	-	-	-	
	Subtotal Term Stns	3,486,007	403,011	407,451	1,258,236	697,723	333,736												385,849	
	Subtotal Transmission	10,536,439	1,052,299	1,157,208	4,597,803	2,399,074	333,736												996,320	
	Distribution																			
23	Substations	163,236	4,515	-	-	-	158,720	-	-	-	-	-	-	-	-	-	-	-	-	
24	Land & Land Improvements	64,580	-	-	-	-	-	48,690	6,203	-	-	5,648	4,039	-	-	-	-	-	-	
25	Poles	1,814,529	-	-	-	-	-	1,049,429	358,645	-	-	185,750	220,705	-	-	-	-	-	-	
26	Primary Conductor & Eqpt	245,080	-	-	-	-	-	217,386	27,694	-	-	-	-	-	-	-	-	-	-	
27	Submarine Conductor	94,774	-	-	-	-	-	94,774	-	-	-	-	-	-	-	-	-	-	-	
28	Transformers	542,248	-	-	-	-	-	-	-	195,752	346,497	-	-	-	-	-	-	-	-	
29	Secondary Conductor&Eqpt	23,095	-	-	-	-	-	-	-	-	-	13,464	9,631	-	-	-	-	-	-	
30	Services	55,334	-	-	-	-	-	-	-	-	-	-	55,334	-	-	-	-	-	-	
31	Meters	211,715	-	-	-	-	-	-	-	-	-	-	-	-	211,715	-	-	-	-	
32	Street Lighting	128,259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,259	-	-	
	Subtotal Distribution	3,342,849	4,515				158,720	1,410,279	392,542	195,752	346,497	204,862	234,375	55,334	211,715	128,259				
	Subttl Prod, Trans, & Dist	43,022,994	18,548,002	12,809,726	4,597,803	2,399,074	492,457	1,410,279	392,542	195,752	346,497	204,862	234,375	55,334	211,715	128,259			996,320	
35	General	5,276,384	2,241,759	1,183,841	584,113	215,356	87,305	326,153	86,088	22,183	39,266	48,793	53,889	22,116	19,508	7,973	180,693	157,347		
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	Feasibility Studies	413,045	413,045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	Feasibility Studies - General	12,547	5,409	3,736	1,341	700	144	411	114	57	101	60	68	16	62	37	-	291		
39	Software - General	838,535	361,508	249,666	89,613	46,759	9,598	27,487	7,651	3,815	6,753	3,993	4,568	1,078	4,126	2,500	-	19,419		
	Total Deprecn Expense	49,563,504	21,569,723	14,246,969	5,272,869	2,661,888	589,503	1,764,330	486,396	221,807	392,617	257,708	292,901	78,545	235,411	138,770	180,693	1,173,375		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)	
							7 Substations		8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services	12 Meters			13 Street Lighting
							Demand (\$)	Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)			Customer (\$)
1	Average Net Book Value	1,305,030,654	477,700,711	459,090,073	153,816,484	65,895,864	13,859,466	50,150,973	14,375,695	4,295,653	7,603,663	8,070,772	9,025,220	3,460,039	2,833,080	1,415,756	2,093,213	31,343,991	
2	Cash Working Capital	8,343,292	3,054,025	2,935,044	983,376	421,284	88,606	320,624	91,906	27,463	48,612	51,598	57,700	22,121	18,112	9,051	13,382	200,388	
3	Fuel Inventory - No. 6 Fuel	57,866,013	-	57,866,013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	180,771	180,771	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	3,091,509	3,091,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	23,005,331	9,000,387	6,784,247	2,890,844	1,265,121	270,201	1,043,007	275,302	70,939	125,568	156,036	172,333	70,725	55,405	25,498	66,974	732,741	
7	Deferred Charges: Holyrood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	80,486,892	29,461,872	28,314,073	9,486,529	4,064,083	854,773	3,093,028	886,611	264,932	468,951	497,759	556,624	213,396	174,728	87,316	129,097	1,933,120	
9	Total Rate Base	1,478,004,461	522,489,276	554,989,450	167,177,233	71,646,353	15,073,047	54,607,631	15,629,516	4,658,987	8,246,793	8,776,165	9,811,878	3,766,280	3,081,326	1,537,622	2,302,666	34,210,239	
10	Less: Rural Asset Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Rate Base Available for Equity Return	1,478,004,461	522,489,276	554,989,450	167,177,233	71,646,353	15,073,047	54,607,631	15,629,516	4,658,987	8,246,793	8,776,165	9,811,878	3,766,280	3,081,326	1,537,622	2,302,666	34,210,239	
12	Return on Debt	75,344,888	26,635,167	28,291,943	8,522,268	3,652,348	768,385	2,783,757	796,753	237,503	420,400	447,386	500,184	191,995	157,078	78,384	117,384	1,743,951	
13	Return on Equity	29,713,147	10,503,893	11,157,262	3,360,857	1,440,347	303,022	1,097,808	314,209	93,662	165,790	176,432	197,254	75,716	61,946	30,912	46,292	687,747	
14	Return on Rate Base	105,058,035	37,139,060	39,449,205	11,883,125	5,092,694	1,071,407	3,881,565	1,110,962	331,165	586,190	623,819	697,438	267,711	219,024	109,296	163,676	2,431,698	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 40
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Demand, Energy ratios Sch.4.1 L.10
4	Fuel Inventory - Diesel	Production - Demand, Energy ratios Sch.4.1 L.12
5	Fuel Inventory - Gas Turbine	Production - Demand, Energy ratios Sch.4.1 L.11
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 40
7	Deferred Charges: Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
9	Total Rate Base	
10	Less: Rural Asset Portion	N/A
11	Rate Base Available for Equity Return	
12	Return on Debt	L.9 x Sch.1.1,p2,L.14
13	Return on Equity	L.11 x Sch.1.1,p2,L.17
14	Return on Rate Base	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1A
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (1 CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Rural Prod & Transmission Demand (CP kW)	7-16 Distribution										17 Accounting Customer (Rural Cust)	18 Specifically Assigned Customer										
							7 Substations Demand (CP kW)		8 Primary Lines Demand (CP kW)		9 Customer (Rural Cust)		10 Line Transformers Demand (CP kW)		11 Customer (Rural Cust)				12 Secondary Lines Demand (CP kW)		13 Customer (Rural Cust)		14 Services Customer (Wld Rural Cust)		15 Meters Customer		16 Street Lighting Customer	
							7	8	9	10	11	12	13	14	15	16												
Amounts																												
1	Newfoundland Power	-	1,329,947	6,164,410	1,309,970	-	-	-	-	-	-	-	-	-	-	-	-	-										
2	Industrial - Firm	-	49,638	448,054	47,540	-	-	-	-	-	-	-	-	-	-	-	-	-										
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Rural																												
4	1.1 Domestic	-	27,663	129,856	26,493	26,493	24,974	24,974	11,627	22,736	11,627	22,736	11,627	11,627	11,627	-	11,627	-										
5	1.12 Domestic All Electric	-	39,490	176,400	37,821	37,821	35,652	35,652	8,106	32,458	8,106	32,458	8,106	8,106	8,106	-	8,106	-										
6	1.3 Special	-	121	446	116	116	109	109	1	100	1	100	1	1	1	-	1	-										
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
8	2.2 GS 10-100 kW	-	14,980	90,749	14,347	14,347	13,524	13,524	2,905	12,312	2,905	12,312	2,905	13,858	13,858	-	2,905	-										
9	2.3 GS 110-1,000 kVa	-	10,676	66,048	10,225	10,225	9,638	9,638	88	8,740	88	8,740	88	738	738	-	88	-										
10	2.4 GS Over 1,000 kVa	-	4,424	35,798	4,237	4,237	3,994	3,994	9	2,523	9	2,523	9	76	76	-	9	-										
11	4.1 Street and Area Lighting	-	825	3,239	790	790	745	745	929	678	929	678	929	-	-	1	929	-										
12	Subtotal Rural	-	98,179	502,536	94,030	94,030	88,637	88,637	23,664	79,546	23,664	79,546	23,664	34,405	34,405	1	23,664	-										
13	Total	-	1,477,764	7,115,000	1,451,540	94,030	88,637	88,637	23,664	79,546	23,664	79,546	23,664	34,405	34,405	1	23,664	-										
Ratios Excluding Return on Equity																												
14	Newfoundland Power	-	0.9000	0.8664	0.9025	-	-	-	-	-	-	-	-	-	-	-	-	-										
15	Industrial - Firm	-	0.0336	0.0630	0.0328	-	-	-	-	-	-	-	-	-	-	-	-	-										
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Rural																												
17	1.1 Domestic	-	0.0187	0.0183	0.0183	0.2818	0.2818	0.2818	0.4913	0.2858	0.4913	0.2858	0.4913	0.3379	0.3379	-	0.4913	-										
18	1.12 Domestic All Electric	-	0.0267	0.0248	0.0261	0.4022	0.4022	0.4022	0.3425	0.4080	0.3425	0.4080	0.3425	0.2356	0.2356	-	0.3425	-										
19	1.3 Special	-	0.0001	0.0001	0.0001	0.0012	0.0012	0.0012	0.0000	0.0013	0.0000	0.0013	0.0000	0.0000	0.0000	-	0.0000	-										
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
21	2.2 GS 10-100 kW	-	0.0101	0.0128	0.0099	0.1526	0.1526	0.1526	0.1228	0.1548	0.1228	0.1548	0.1228	0.4028	0.4028	-	0.1228	-										
22	2.3 GS 110-1,000 kVa	-	0.0072	0.0093	0.0070	0.1087	0.1087	0.1087	0.0037	0.1099	0.0037	0.1099	0.0037	0.0214	0.0214	-	0.0037	-										
23	2.4 GS Over 1,000 kVa	-	0.0030	0.0050	0.0029	0.0451	0.0451	0.0451	0.0004	0.0317	0.0004	0.0317	0.0004	0.0022	0.0022	-	0.0004	-										
24	4.1 Street and Area Lighting	-	0.0006	0.0005	0.0005	0.0084	0.0084	0.0084	0.0392	0.0085	0.0392	0.0085	0.0392	-	-	1.0000	0.0392	-										
25	Subtotal Rural	-	0.0664	0.0706	0.0648	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-										
26	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-										

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	19 20	
		Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
	Amounts		
1	Newfoundland Power	-	447,430,477
2	Industrial - Firm	-	16,126,195
3	Industrial - Non-Firm	-	4,881
	Rural		
4	1.1 Domestic	13,662,764	13,662,764
5	1.12 Domestic All Electric	17,059,306	17,059,306
6	1.3 Special	19,235	19,235
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	9,534,018	9,534,018
9	2.3 GS 110-1,000 kVa	6,258,109	6,258,109
10	2.4 GS Over 1,000 kVa	3,348,569	3,348,569
11	4.1 Street and Area Lighting	1,030,113	1,030,113
12	Subtotal Rural	50,912,113	50,912,113
13	Total	50,912,113	514,473,667
	Ratios Excluding Return on Equity		
14	Newfoundland Power	-	0.8697
15	Industrial - Firm	-	0.0313
16	Industrial - Non-Firm	-	0.0000
	Rural		
17	1.1 Domestic	0.2684	0.0266
18	1.12 Domestic All Electric	0.3351	0.0332
19	1.3 Special	0.0004	0.0000
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	0.1873	0.0185
22	2.3 GS 110-1,000 kVa	0.1229	0.0122
23	2.4 GS Over 1,000 kVa	0.0658	0.0065
24	4.1 Street and Area Lighting	0.0202	0.0020
25	Subtotal Rural	1.0000	0.0990
26	Total	1.0000	1.0000

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2A
Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO			
2014 Test Year Cost of Service for 2014 Revenue Deficiency			
Island Interconnected			
Allocation of Functionalized Amounts to Classes of Service (CONTD.)			
Line No.	Description	19	20
		Revenue Related	
		Municipal Tax	PUB Assessment
	Allocated Rev Reqmt Excl Return		(\$)
1	Newfoundland Power	-	602,121
2	Industrial - Firm	-	21,702
3	Industrial - Non-Firm	-	7
	Rural		
4	1.1 Domestic	330,243	18,386
5	1.12 Domestic All Electric	412,340	22,957
6	1.3 Special	465	26
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	230,447	12,830
9	2.3 GS 110-1,000 kVa	151,265	8,422
10	2.4 GS Over 1,000 kVa	80,938	4,506
11	4.1 Street and Area Lighting	24,899	1,386
12	Subtotal Rural	1,230,596	68,514
13	Total	1,230,596	692,343
	Allocated Return on Debt		
14	Newfoundland Power	-	-
15	Industrial - Firm	-	-
16	Industrial - Non-Firm	-	-
	Rural		
17	1.1 Domestic	-	-
18	1.12 Domestic All Electric	-	-
19	1.3 Special	-	-
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	-	-
22	2.3 GS 110-1,000 kVa	-	-
23	2.4 GS Over 1,000 kVa	-	-
24	4.1 Street and Area Lighting	-	-
25	Subtotal Rural	-	-
26	Total	-	-
	Allocated Return on Equity		
27	Newfoundland Power	-	-
28	Industrial - Firm	-	-
29	Industrial - Non-Firm	-	-
	Rural		
30	1.1 Domestic	-	-
31	1.12 Domestic All Electric	-	-
32	1.3 Special	-	-
33	2.1 GS 0-10 kW	-	-
34	2.2 GS 10-100 kW	-	-
35	2.3 GS 110-1,000 kVa	-	-
36	2.4 GS Over 1,000 kVa	-	-
37	4.1 Street and Area Lighting	-	-
38	Subtotal Rural	-	-
39	Total	-	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2A
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO				
2014 Test Year Cost of Service for 2014 Revenue Deficiency				
Island Interconnected				
Allocation of Functionalized Amounts to Classes of Service (CONTD)				
Line No.	Description	19	20	Basis of Proration
		Revenue Related		
		Municipal Tax	PUB Assessment	
		(\$)	(\$)	
	Total Revenue Requirement			
40	Newfoundland Power	-	602,121	
41	Industrial - Firm	-	21,702	
42	Industrial - Non-Firm	-	7	
	Rural			
43	1.1 Domestic	330,243	18,386	
44	1.12 Domestic All Electric	412,340	22,957	
45	1.3 Special	465	26	
46	2.1 GS 0-10 kW	-	-	
47	2.2 GS 10-100 kW	230,447	12,830	
48	2.3 GS 110-1,000 kVa	151,265	8,422	
49	2.4 GS Over 1,000 kVa	80,938	4,506	
50	4.1 Street and Area Lighting	24,899	1,386	
51	Subtotal Rural	<u>1,230,596</u>	<u>68,514</u>	
52	Total	<u>1,230,596</u>	<u>692,343</u>	
	Re-classification of Revenue-Related			
53	Newfoundland Power	-	(602,121)	Re-classification to demand, energy and customer is based on rate class revenue requirements excluding revenue-related items.
54	Industrial - Firm	-	(21,702)	
55	Industrial - Non-Firm	-	(7)	
	Rural			
56	1.1 Domestic	(330,243)	(18,386)	
57	1.12 Domestic All Electric	(412,340)	(22,957)	
58	1.3 Special	(465)	(26)	
59	2.1 GS 0-10 kW	-	-	
60	2.2 GS 10-100 kW	(230,447)	(12,830)	
61	2.3 GS 110-1,000 kVa	(151,265)	(8,422)	
62	2.4 GS Over 1,000 kVa	(80,938)	(4,506)	
63	4.1 Street and Area Lighting	(24,899)	(1,386)	
64	Subtotal Rural	<u>(1,230,596)</u>	<u>(68,514)</u>	
65	Total	<u>(1,230,596)</u>	<u>(692,343)</u>	
	Total Allocated Revenue Requirement			
66	Newfoundland Power	-	-	
67	Industrial - Firm	-	-	
68	Industrial - Non-Firm	-	-	
	Rural			
69	1.1 Domestic	-	-	
70	1.12 Domestic All Electric	-	-	
71	1.3 Special	-	-	
72	2.1 GS 0-10 kW	-	-	
73	2.2 GS 10-100 kW	-	-	
74	2.3 GS 110-1,000 kVa	-	-	
75	2.4 GS Over 1,000 kVa	-	-	
76	4.1 Street and Area Lighting	-	-	
77	Subtotal Rural	<u>-</u>	<u>-</u>	
78	Total	<u>-</u>	<u>-</u>	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Allocation of Specifically Assigned Amounts to Classes of Service

Line No.	Description	Total Amount (\$)	OM&A				Depreciation				Expense Credits		Gains/Losses (\$)	Subtotal Excluding Return (\$)	Return on Debt (\$)	Return on Equity (\$)	Subtotal Excl Rev Related (\$)	Revenue Related (\$)
			Transmission Lines (\$)	Transmission Terminals (\$)	Administrative & General (\$)	Other (\$)	Transmission Lines (\$)	Transmission Terminals (\$)	Telecontrol & Feasibility Study (\$)	General (\$)	Rental Income (\$)	Other (\$)						
Basis of Allocation - Amounts																		
1	Newfoundland Power		25,070,690	12,416,446	37,487,136	37,487,136	-	-	-	945,286	37,487,136	37,487,136	23,999,415	-	23,999,415	23,999,415	-	-
Industrial																		
2	Vale		6,554,033	4,483,533	11,037,566	11,037,566	-	-	-	302,510	11,037,566	11,037,566	346,005	-	346,005	346,005	-	-
3	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corner Brook P&P - CB		-	6,883,093	6,883,093	6,883,093	-	-	-	308,065	6,883,093	6,883,093	4,731,795	-	4,731,795	4,731,795	-	-
5	Corner Brook P&P - DL		-	19,788	19,788	19,788	-	-	-	886	19,788	19,788	12,336	-	12,336	12,336	-	-
6	North Atlantic Refining Limited		-	1,138,890	1,138,890	1,138,890	-	-	-	50,973	1,138,890	1,138,890	323,880	-	323,880	323,880	-	-
7	Teck Resources		4,534,363	909,953	5,444,315	5,444,315	-	-	-	111,185	5,444,315	5,444,315	0	-	0	0	-	-
8	Subtotal Industrial		11,088,396	13,435,257	24,523,653	24,523,653	-	-	-	773,618	24,523,653	24,523,653	5,414,016	-	5,414,016	5,414,016	-	-
9	Total		36,159,085	25,851,703	62,010,788	62,010,788	-	-	-	1,718,904	62,010,788	62,010,788	29,413,430	-	29,413,430	29,413,430	-	-
Basis of Allocation - Ratios																		
11	Newfoundland Power		0.6933	0.4803	0.6045	0.6045	-	-	-	0.5499	0.6045	0.6045	0.8159	-	0.8159	0.8159	-	-
Industrial																		
12	Vale		0.1813	0.1734	0.1780	0.1780	-	-	-	0.1760	0.1780	0.1780	0.0118	-	0.0118	0.0118	-	-
13	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Corner Brook P&P - CB		-	0.2663	0.1110	0.1110	-	-	-	0.1792	0.1110	0.1110	0.1609	-	0.1609	0.1609	-	-
15	Corner Brook P&P - DL		-	0.0008	0.0003	0.0003	-	-	-	0.0005	0.0003	0.0003	0.0004	-	0.0004	0.0004	-	-
16	North Atlantic Refining Ltd.		-	0.0441	0.0184	0.0184	-	-	-	0.0297	0.0184	0.0184	0.0110	-	0.0110	0.0110	-	-
17	Teck Resources		0.1254	0.0352	0.0878	0.0878	-	-	-	0.0647	0.0878	0.0878	0.0000	-	0.0000	0.0000	-	-
18	Subtotal Industrial		0.3067	0.5197	0.3955	0.3955	-	-	-	0.4501	0.3955	0.3955	0.1841	-	0.1841	0.1841	-	-
19	Total		1.0000	1.0000	1.0000	1.0000	-	-	-	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	-	-
Amounts Allocated																		
20	Newfoundland Power	4,542,374	299,372	511,052	672,074	134,862	606,412	207,664	-	97,369	(411)	(10,511)	34,448	2,552,331	1,422,948	561,156	4,536,436	5,938
Industrial																		
21	Vale	572,090	78,263	184,539	197,883	39,708	4,059	10,180	-	31,160	(121)	(3,095)	497	543,072	20,515	8,090	571,678	413
22	Abitibi Consolidated - GF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Corner Brook P&P - CB	1,015,326	-	283,303	123,401	24,762	-	155,417	-	31,732	(76)	(1,930)	6,792	623,402	280,553	110,639	1,014,594	732
24	Corner Brook P&P - DL	3,309	-	814	355	71	-	943	-	91	(0)	(6)	18	2,287	731	288	3,306	2
25	North Atlantic Refining Ltd.	115,279	-	46,876	20,418	4,097	-	11,645	-	5,250	(12)	(319)	465	88,420	19,203	7,573	115,196	83
26	Teck Resources	218,815	54,145	37,453	97,606	19,586	-	-	-	11,453	(60)	(1,526)	0	218,657	0	0	218,657	158
27	Subtotal Industrial	1,924,820	132,408	552,985	439,663	88,225	4,059	178,185	-	79,687	(269)	(6,876)	7,771	1,475,838	321,002	126,591	1,923,432	1,388
28	Total	6,467,194	431,780	1,064,037	1,111,738	223,087	610,471	385,849	-	177,056	(681)	(17,386)	42,219	4,028,169	1,743,951	687,747	6,459,867	7,326

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)				
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10	11			12	13	14	15
						Demand	Customer	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer			Customer	Customer	Customer	
Expenses																					
1	Operating & Maintenance	5,029,176	1,506,793	2,238,454	-	12,294	501,176	154,969	47,380	83,867	98,134	105,775	54,766	23,383	15,264	149,137	-				
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
3	Fuels-Diesel	2,677,086	-	2,677,086	-	-	-	-	-	-	-	-	-	-	-	-	-				
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6	Power Purchases-Other	220,742	-	220,742	-	-	-	-	-	-	-	-	-	-	-	-	-				
7	Depreciation	441,358	137,138	203,701	-	1,591	37,668	11,934	6,935	12,275	6,641	7,536	2,997	6,138	3,999	2,805	-				
Expense Credits																					
8	Sundry	(25,117)	(7,525)	(11,179)	-	(61)	(2,503)	(774)	(237)	(419)	(490)	(528)	(274)	(117)	(76)	(745)	-				
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
11	Suppliers' Discounts	(5,774)	(1,730)	(2,570)	-	(14)	(575)	(178)	(54)	(96)	(113)	(121)	(63)	(27)	(18)	(171)	-				
12	Pole Attachments	(23,663)	-	-	-	-	(13,685)	(4,677)	-	-	(2,422)	(2,878)	-	-	-	-	-				
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
15	Application Fees	(184)	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	-				
16	Meter Test Revenues	(58)	-	-	-	-	-	-	-	-	-	-	-	(58)	-	-	-				
17	Total Expense Credits	(54,795)	(9,255)	(13,749)	-	(76)	(16,764)	(5,629)	(291)	(515)	(3,025)	(3,528)	(336)	(202)	(94)	(1,100)	-				
18	Subtotal Expenses	8,313,567	1,634,676	5,326,233	-	13,809	522,081	161,274	54,024	95,627	101,750	109,784	57,427	29,319	19,170	150,841	-				
19	Disposal Gain / Loss	40,097	11,666	17,277	-	141	4,948	1,556	542	959	876	988	535	291	163	157	-				
20	Subtotal Revenue Requirement Ex. Return	8,353,664	1,646,342	5,343,510	-	13,950	527,029	162,830	54,566	96,586	102,626	110,771	57,962	29,610	19,333	150,998	-				
21	Return on Debt	580,433	166,273	255,900	-	1,999	70,207	22,071	7,666	13,570	12,448	14,029	7,591	4,124	2,308	2,246	-				
22	Return on Equity	228,901	65,572	100,917	-	788	27,687	8,704	3,023	5,351	4,909	5,533	2,994	1,626	910	886	-				
23	Total Revenue Requirement	9,162,998	1,878,187	5,700,328	-	16,738	624,922	193,605	65,255	115,507	119,982	130,333	68,547	35,361	22,551	154,129	-				

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Island Isolated
 Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
	Expenses			
1	Operating & Maintenance	35,790	1,993	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(179)	(10)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(41)	(2)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(220)	(12)	
18	Subtotal Expenses	35,571	1,980	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	35,571	1,980	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	35,571	1,980	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2B

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	Distribution						14 Meters Customer (\$)	15 Street Lighting Customer (\$)	16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							7 Primary Lines Demand (\$)	8 Primary Lines Customer (\$)	9 Line Transformers Demand (\$)	10 Line Transformers Customer (\$)	11 Secondary Lines Demand (\$)	12 Secondary Lines Customer (\$)				
Production																
1	Diesel	14,524,073	5,731,305	8,792,768	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	14,524,073	5,731,305	8,792,768	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
6	Substation Structures & Equipment	253,721	201,749	-	-	51,973	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	72,756	-	-	-	-	54,854	6,988	-	-	6,362	4,551	-	-	-	-
8	Poles	3,120,835	-	-	-	-	1,804,928	616,839	-	-	319,474	379,593	-	-	-	-
9	Primary Conductor & Equipment	302,372	-	-	-	-	268,204	34,168	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	557,274	-	-	-	-	-	-	201,176	356,098	-	-	-	-	-	-
12	Secondary Conductors & Equipment	155,817	-	-	-	-	-	-	-	-	90,841	64,976	-	-	-	-
13	Services	232,537	-	-	-	-	-	-	-	-	-	-	232,537	-	-	-
14	Meters	123,200	-	-	-	-	-	-	-	-	-	-	-	123,200	-	-
15	Street Lighting	64,813	-	-	-	-	-	-	-	-	-	-	-	-	64,813	-
16	Subtotal Distribution	4,883,324	201,749	-	-	51,973	2,127,986	657,995	201,176	356,098	416,677	449,120	232,537	123,200	64,813	-
17	Subttl Prod, Trans, & Dist	19,407,397	5,933,054	8,792,768	-	51,973	2,127,986	657,995	201,176	356,098	416,677	449,120	232,537	123,200	64,813	-
18	General	2,399,846	781,324	1,176,145	-	3,784	154,932	47,907	14,647	25,926	30,337	32,699	16,930	5,061	4,719	105,435
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	44,590	13,632	20,202	-	119	4,889	1,512	462	818	957	1,032	534	283	149	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Plant	21,851,834	6,728,010	9,989,115	-	55,876	2,287,808	707,414	216,285	382,843	447,972	482,851	250,001	128,544	69,680	105,435

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2B

Page 2 of 2

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated**

Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D)

	1	18
Line No.	Description	Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.6
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	6,539,054	2,580,358	3,958,696	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	6,539,054	2,580,358	3,958,696	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	132,233	97,647	-	-	34,586	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	45,957	-	-	-	-	34,649	4,414	-	-	4,019	2,875	-	-	-	-	
8	Poles	1,817,416	-	-	-	-	1,051,099	359,216	-	-	186,045	221,056	-	-	-	-	
9	Primary Conductor & Equipment	131,929	-	-	-	-	117,021	14,908	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	367,142	-	-	-	-	-	-	132,538	234,604	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	37,167	-	-	-	-	-	-	-	-	21,668	15,499	-	-	-	-	
13	Services	129,959	-	-	-	-	-	-	-	-	-	-	129,959	-	-	-	
14	Meters	72,248	-	-	-	-	-	-	-	-	-	-	-	72,248	-	-	
15	Street Lighting	39,743	-	-	-	-	-	-	-	-	-	-	-	-	39,743	-	
16	Subtotal Distribution	2,773,794	97,647	-	-	34,586	1,202,770	378,538	132,538	234,604	211,732	239,429	129,959	72,248	39,743	-	
17	Subttl Prod, Trans, & Dist	9,312,848	2,678,005	3,958,696	-	34,586	1,202,770	378,538	132,538	234,604	211,732	239,429	129,959	72,248	39,743	-	
18	General	914,347	297,686	448,114	-	1,442	59,030	18,253	5,581	9,878	11,558	12,458	6,450	1,928	1,798	40,171	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	34,084	9,801	14,489	-	127	4,402	1,385	485	859	775	876	476	264	145	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	10,261,280	2,985,493	4,421,298	-	36,155	1,266,201	398,176	138,604	245,340	224,066	252,764	136,885	74,440	41,686	40,171	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7-8 Primary Lines Demand (\$)		9-10 Line Transformers Demand (\$)		11-12 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	1,985,249	783,394	1,201,855	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	290,118	114,483	175,635	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	2,275,366	897,876	1,377,490	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	405,900	17,203	-	-	4,432	181,455	56,108	17,154	30,365	35,530	38,297	19,829	-	5,527	-	-
9	Meters	5,927	-	-	-	-	-	-	-	-	-	-	-	5,927	-	-	-
10	Subtotal Distribution	411,828	17,203	-	-	4,432	181,455	56,108	17,154	30,365	35,530	38,297	19,829	5,927	5,527	-	-
11	Subttl Prod, Trans, & Dist	2,687,194	915,079	1,377,490	-	4,432	181,455	56,108	17,154	30,365	35,530	38,297	19,829	5,927	5,527	-	-
12	Customer Accounting	123,484	-	-	-	-	-	-	-	-	-	-	-	-	-	123,484	-
Administrative & General:																	
Plant-Related:																	
13	Production	636,351	251,109	385,242	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	554,806	22,921	-	-	5,905	241,766	74,756	22,856	40,457	47,340	51,026	26,419	13,997	7,364	-	-
16	Prod, Trans, Distn Plant	327,240	100,041	148,260	-	876	35,881	11,095	3,392	6,004	7,026	7,573	3,921	2,077	1,093	-	-
17	Prod, Trans, Distn and Gen Plt	2,892	890	1,322	-	7	303	94	29	51	59	64	33	17	9	14	-
18	Property Insurance	17,666	6,905	10,252	-	57	159	49	15	27	31	34	17	5	5	108	-
Revenue Related:																	
19	Municipal Tax	35,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	1,993	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	581,101	189,190	284,793	-	916	37,515	11,600	3,547	6,278	7,346	7,918	4,100	1,225	1,143	25,530	-
22	Prod, Trans, and Distn Expense-Related	60,659	20,656	31,095	-	100	4,096	1,267	387	685	802	864	448	134	125	-	-
23	Subtotal Admin & General	2,218,498	591,713	860,964	-	7,862	319,721	98,861	30,226	53,502	62,604	67,478	34,938	17,456	9,738	25,652	-
24	Total Operating & Maintenance Expenses	5,029,176	1,506,793	2,238,454	-	12,294	501,176	154,969	47,380	83,867	98,134	105,775	54,766	23,383	15,264	149,137	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4B
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18	19	
		Municipal Tax	PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L6
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and Gen Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	35,790	-	Revenue-related
20	PUB Assessment	-	1,993	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>35,790</u>	<u>1,993</u>	
24	Total Operating & Maintenance Expenses	<u>35,790</u>	<u>1,993</u>	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	279,352	110,234	169,117	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	279,352	110,234	169,117	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substn Struct & Eqpt	5,357	3,895	-	-	1,461	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	1,215	-	-	-	-	916	117	-	-	106	76	-	-	-	-	
8	Poles	50,525	-	-	-	-	29,221	9,986	-	-	5,172	6,145	-	-	-	-	
9	Primary Conductor & Equipment	3,121	-	-	-	-	2,768	353	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	17,784	-	-	-	-	-	-	6,420	11,364	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	761	-	-	-	-	-	-	-	-	444	318	-	-	-	-	
13	Services	2,498	-	-	-	-	-	-	-	-	-	-	2,498	-	-	-	
14	Meters	5,889	-	-	-	-	-	-	-	-	-	-	-	5,889	-	-	
15	Street Lighting	3,799	-	-	-	-	-	-	-	-	-	-	-	-	3,799	-	
16	Subtotal Distribution	90,950	3,895	-	-	1,461	32,906	10,456	6,420	11,364	5,722	6,539	2,498	5,889	3,799	-	
17	Subtotal Prod Tran & Dist	370,302	114,130	169,117	-	1,461	32,906	10,456	6,420	11,364	5,722	6,539	2,498	5,889	3,799	-	
18	General	63,839	20,784	31,287	-	101	4,121	1,274	390	690	807	870	450	135	126	2,805	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	7,217	2,224	3,296	-	28	641	204	125	221	112	127	49	115	74	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	441,358	137,138	203,701	-	1,591	37,668	11,934	6,935	12,275	6,641	7,536	2,997	6,138	3,999	2,805	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
1	Average Net Book Value	10,261,280	2,985,493	4,421,298	-	36,155	1,266,201	398,176	138,604	245,340	224,066	252,764	136,885	74,440	41,686	40,171	-
2	Cash Working Capital	65,602	19,087	28,266	-	231	8,095	2,546	886	1,569	1,432	1,616	875	476	267	257	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	189,252	-	189,252	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	237,088	72,998	108,380	-	606	24,822	7,675	2,347	4,154	4,860	5,239	2,712	1,395	756	1,144	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	632,858	184,128	272,681	-	2,230	78,092	24,557	8,548	15,131	13,819	15,589	8,442	4,591	2,571	2,478	-
8	Total Rate Base	11,386,080	3,261,705	5,019,877	-	39,222	1,377,211	432,954	150,385	266,194	244,178	275,208	148,915	80,902	45,280	44,049	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	11,386,080	3,261,705	5,019,877	-	39,222	1,377,211	432,954	150,385	266,194	244,178	275,208	148,915	80,902	45,280	44,049	-
11	Return on Debt	580,433	166,273.39	255,900.48	-	1,999.43	70,206.68	22,070.90	7,666.24	13,569.88	12,447.56	14,029.38	7,591.30	4,124.18	2,308.26	2,245.51	-
12	Return on Equity	228,901	65,571.88	100,917.38	-	788.50	27,686.83	8,703.92	3,023.27	5,351.44	4,908.84	5,532.65	2,993.72	1,626.42	910.29	885.54	-
13	Return on Rate Base	809,334	231,845	356,818	-	2,788	97,894	30,775	10,690	18,921	17,356	19,562	10,585	5,751	3,219	3,131	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Island Isolated
 Functional Classification of Rate Base (CONT'D.)

Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution										16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		8 Line Transformers Demand (CP kW) (Rural Cust)		9 Secondary Lines Demand (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer	12 Street Lighting Customer (Rural Cust)		
Amounts																	
1	1.2 Domestic Diesel	-	1,198	6,210	1,198	1,159	1,159	703	1,100	703	1,100	703	703	703	-	703	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	131	828	131	126	126	98	120	98	120	98	184	184	-	98	-
5	2.2 GS 10-100 kW	-	110	976	110	106	106	13	101	13	101	13	62	62	-	13	-
6	2.3 GS 110-1,000 kVa	-	100	177	100	97	97	1	92	1	92	1	8	8	-	1	-
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	26	106	26	25	25	34	24	34	24	34	-	-	34	34	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	1,564	8,297	1,564	1,514	1,514	848	1,437	848	1,437	848	957	957	34	848	-
Ratios																	
13	1.2 Domestic Diesel	-	0.7655	0.7485	0.7655	0.7655	0.7655	0.8283	0.7655	0.8283	0.7655	0.8283	0.7341	0.7341	-	0.8283	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0834	0.0998	0.0834	0.0834	0.0834	0.1156	0.0834	0.1156	0.0834	0.1156	0.1923	0.1923	-	0.1156	-
17	2.2 GS 10-100 kW	-	0.0703	0.1176	0.0703	0.0703	0.0703	0.0153	0.0703	0.0153	0.0703	0.0153	0.0648	0.0648	-	0.0153	-
18	2.3 GS 110-1,000 kVa	-	0.0641	0.0213	0.0641	0.0641	0.0641	0.0012	0.0641	0.0012	0.0641	0.0012	0.0088	0.0088	-	0.0012	-
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0166	0.0128	0.0166	0.0166	0.0166	0.0396	0.0166	0.0396	0.0166	0.0396	-	-	1.0000	0.0396	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18 19 Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.2 Domestic Diesel	796,792	796,792
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	205,730	205,730
5	2.2 GS 10-100 kW	427,531	427,531
6	2.3 GS 110-1,000 kVa	-	-
7	2.4 GS Over 1,000 kVa	-	-
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	41,568	41,568
11	4.1G Gov't Street and Area Lighting	-	-
12	Total	1,471,621	1,471,621
Ratios			
13	1.2 Domestic Diesel	0.5414	0.5414
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1398	0.1398
17	2.2 GS 10-100 kW	0.2905	0.2905
18	2.3 GS 110-1,000 kVa	-	-
19	2.4 GS Over 1,000 kVa	-	-
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0282	0.0282
23	4.1G Gov't Street and Area Lighting	-	-
24	Total	1.0000	1.0000

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Substations Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters	12 Street Lighting	13 Accounting		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
Allocated Revenue Requirement Excluding Return																		
1	1.2 Domestic Diesel	6,310,739	1,260,303	3,999,635	-	10,679	403,450	134,879	41,771	80,006	78,562	91,757	42,551	21,738	-	125,078	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	811,253	137,384	533,294	-	1,164	43,980	18,816	4,553	11,161	8,564	12,800	11,145	5,693	-	17,449	-	
5	2.2 GS 10-100 kW	817,955	115,812	628,457	-	981	37,074	2,496	3,838	1,481	7,219	1,698	3,756	1,919	-	2,315	-	
6	2.3 GS 110-1,000 kVa	265,476	105,593	113,719	-	895	33,803	192	3,500	114	6,582	131	510	261	-	178	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	148,240	27,250	68,405	-	231	8,723	6,447	903	3,824	1,699	4,386	-	-	19,333	5,979	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	8,353,664	1,646,342	5,343,510	-	13,950	527,029	162,830	54,566	96,586	102,626	110,771	57,962	29,610	19,333	150,998	-	
Allocated Return on Debt and Equity																		
13	1.2 Domestic Diesel	615,059	177,482	267,079	-	2,134	74,939	25,492	8,183	15,673	13,287	16,204	7,771	4,222	-	2,594	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	77,206	19,347	35,611	-	233	8,169	3,556	892	2,186	1,448	2,260	2,035	1,106	-	362	-	
17	2.2 GS 10-100 kW	69,498	16,309	41,966	-	196	6,886	472	752	290	1,221	300	686	373	-	48	-	
18	2.3 GS 110-1,000 kVa	30,949	14,870	7,594	-	179	6,279	36	686	22	1,113	23	93	51	-	4	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	16,621	3,837	4,568	-	46	1,620	1,219	177	749	287	775	-	-	3,219	124	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	809,334	231,845	356,818	-	2,788	97,894	30,775	10,690	18,921	17,356	19,562	10,585	5,751	3,219	3,131	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2B

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Island Isolated
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	18		19	Basis of Proration
		Revenue Related			
	Description	Municipal Tax (\$)	PUB Assessment (\$)		
Allocated Revenue Requirement Excluding Return					
1	1.2 Domestic Diesel	19,259	1,072		
2	1.2G Government Domestic Diesel	-	-		
3	1.23 Churches, Schools & Com Halls	-	-		
4	2.1 GS 0-10 kW	4,973	277		
5	2.2 GS 10-100 kW	10,334	575		
6	2.3 GS 110-1,000 kVa	-	-		
7	2.4 GS Over 1,000 kVa	-	-		
8	2.5 GS Diesel	-	-		
9	2.5G Gov't General Service Diesel	-	-		
10	4.1 Street and Area Lighting	1,005	56		
11	4.1G Gov't Street and Area Lighting	-	-		
12	Total	35,571	1,980		
Allocated Return on Debt and Equity					
13	1.2 Domestic Diesel	-	-		
14	1.2G Government Domestic Diesel	-	-		
15	1.23 Churches, Schools & Com Halls	-	-		
16	2.1 GS 0-10 kW	-	-		
17	2.2 GS 10-100 kW	-	-		
18	2.3 GS 110-1,000 kVa	-	-		
19	2.4 GS Over 1,000 kVa	-	-		
20	2.5 GS Diesel	-	-		
21	2.5G Gov't General Service Diesel	-	-		
22	4.1 Street and Area Lighting	-	-		
23	4.1G Gov't Street and Area Lighting	-	-		
24	Total	-	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy Demand (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
Total Revenue Requirement																	
25	1.2 Domestic Diesel	6,925,799	1,437,785	4,266,714	-	12,813	478,389	160,371	49,954	95,680	91,849	107,961	50,322	25,959	-	127,672	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	888,459	156,731	568,905	-	1,397	52,149	22,372	5,445	13,347	10,012	15,061	13,180	6,799	-	17,810	-
29	2.2 GS 10-100 kW	887,453	132,121	670,423	-	1,177	43,960	2,968	4,590	1,771	8,440	1,998	4,442	2,291	-	2,363	-
30	2.3 GS 110-1,000 kVa	296,425	120,463	121,313	-	1,074	40,081	228	4,185	136	7,695	154	603	311	-	182	-
31	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	164,861	31,087	72,973	-	277	10,344	7,666	1,080	4,574	1,986	5,161	-	-	22,551	6,103	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	9,162,998	1,878,187	5,700,328	-	16,738	624,922	193,605	65,255	115,507	119,982	130,333	68,547	35,361	22,551	154,129	-
Re-classification of Revenue-Related																	
37	1.2 Domestic Diesel	(0)	4,233	12,562	-	38	1,409	472	147	282	270	318	148	76	-	376	-
38	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	2.1 GS 0-10 kW	(0)	932	3,381	-	8	310	133	32	79	60	90	78	40	-	106	-
41	2.2 GS 10-100 kW	0	1,644	8,344	-	15	547	37	57	22	105	25	55	29	-	29	-
42	2.3 GS 110-1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	4.1 Street and Area Lighting	(0)	201	473	-	2	67	50	7	30	13	33	-	-	146	40	-
47	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total	(0)	7,010	24,760	-	62	2,333	692	244	413	448	466	282	145	146	551	-
Total Allocated Revenue Requirement																	
49	1.2 Domestic Diesel	6,925,799	1,442,018	4,279,276	-	12,851	479,797	160,843	50,101	95,961	92,119	108,278	50,470	26,036	-	128,048	-
50	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	2.1 GS 0-10 kW	888,459	157,663	572,287	-	1,405	52,459	22,505	5,478	13,427	10,072	15,150	13,258	6,839	-	17,916	-
53	2.2 GS 10-100 kW	887,453	133,765	678,767	-	1,192	44,507	3,005	4,648	1,793	8,545	2,023	4,497	2,320	-	2,392	-
54	2.3 GS 110-1,000 kVa	296,425	120,463	121,313	-	1,074	40,081	228	4,185	136	7,695	154	603	311	-	182	-
55	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4.1 Street and Area Lighting	164,861	31,289	73,445	-	279	10,411	7,715	1,087	4,603	1,999	5,194	-	-	22,697	6,142	-
59	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Total	9,162,998	1,885,198	5,725,088	-	16,801	627,255	194,296	65,499	115,920	120,430	130,799	68,829	35,506	22,697	154,680	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2B
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	18		19	
		Revenue Related		Basis of Proration	
		Municipal Tax (\$)	PUB Assessment (\$)		
Total Revenue Requirement					
25	1.2 Domestic Diesel	19,259	1,072		
26	1.2G Government Domestic Diesel	-	-		
27	1.23 Churches, Schools & Com Halls	-	-		
28	2.1 GS 0-10 kW	4,973	277		
29	2.2 GS 10-100 kW	10,334	575		
30	2.3 GS 110-1,000 kVa	-	-		
31	2.4 GS Over 1,000 kVa	-	-		
32	2.5 GS Diesel	-	-		
33	2.5G Gov't General Service Diesel	-	-		
34	4.1 Street and Area Lighting	1,005	56		
35	4.1G Gov't Street and Area Lighting	-	-		
36	Total	35,571	1,980		
Re-classification of Revenue-Related					
37	1.2 Domestic Diesel	(19,259)	(1,072)	Re-classification to demand, energy and customer is based on rate class revenue	
38	1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.	
39	1.23 Churches, Schools & Com Halls	-	-		
40	2.1 GS 0-10 kW	(4,973)	(277)		
41	2.2 GS 10-100 kW	(10,334)	(575)		
42	2.3 GS 110-1,000 kVa	-	-		
43	2.4 GS Over 1,000 kVa	-	-		
44	2.5 GS Diesel	-	-		
45	2.5G Gov't General Service Diesel	-	-		
46	4.1 Street and Area Lighting	(1,005)	(56)		
47	4.1G Gov't Street and Area Lighting	-	-		
48	Total	(35,571)	(1,980)		
Total Allocated Revenue Requirement					
49	1.2 Domestic Diesel	-	-		
50	1.2G Government Domestic Diesel	-	-		
51	1.23 Churches, Schools & Com Halls	-	-		
52	2.1 GS 0-10 kW	-	-		
53	2.2 GS 10-100 kW	-	-		
54	2.3 GS 110-1,000 kVa	-	-		
55	2.4 GS Over 1,000 kVa	-	-		
56	2.5 GS Diesel	-	-		
57	2.5G Gov't General Service Diesel	-	-		
58	4.1 Street and Area Lighting	-	-		
59	4.1G Gov't Street and Area Lighting	-	-		
60	Total	-	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Expenses																	
1	Operating & Maintenance	12,427,199	3,420,947	6,671,326	-	91,695	806,885	235,035	41,672	73,763	131,957	146,025	55,584	39,236	24,328	517,447	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	15,858,128	-	15,858,128	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,097,803	588,678	1,151,650	-	22,287	141,768	42,477	15,410	27,278	22,185	25,403	9,402	23,103	13,994	14,167	-
Expense Credits																	
8	Sundry	(62,063)	(17,085)	(33,318)	-	(458)	(4,030)	(1,174)	(208)	(368)	(659)	(729)	(278)	(196)	(121)	(2,584)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(14,267)	(3,928)	(7,659)	-	(105)	(926)	(270)	(48)	(85)	(151)	(168)	(64)	(45)	(28)	(594)	-
12	Pole Attachments	(102,974)	-	-	-	-	(59,555)	(20,353)	-	-	(10,541)	(12,525)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(1,580)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,580)	-
16	Meter Test Revenues	(217)	-	-	-	-	-	-	-	-	-	-	-	(217)	-	-	-
17	Total Expense Credits	(181,102)	(21,012)	(40,977)	-	(563)	(64,511)	(21,797)	(256)	(453)	(11,352)	(13,422)	(341)	(458)	(149)	(4,758)	-
18	Subtotal Expenses	30,202,029	3,988,613	23,640,128	-	113,418	884,142	255,715	56,826	100,587	142,791	158,006	64,644	61,881	38,172	526,857	-
19	Disposal Gain / Loss	95,653	24,653	46,949	-	1,202	10,901	3,351	743	1,315	1,790	2,046	1,195	679	348	481	-
20	Subtotal Revenue Requirement Ex. Return	30,297,681	4,013,266	23,687,076	-	114,621	895,043	259,066	57,569	101,902	144,581	160,053	65,839	62,560	38,520	527,338	-
21	Return on Debt	2,375,380	566,402	1,258,062	-	27,576	249,929	76,747	16,958	30,017	41,036	46,887	27,193	15,539	7,961	11,074	-
22	Return on Equity	936,759	223,367	496,131	-	10,875	98,562	30,266	6,687	11,837	16,183	18,491	10,724	6,128	3,139	4,367	-
23	Total Revenue Requirement	33,609,821	4,803,036	25,441,269	-	153,072	1,243,534	366,078	81,215	143,757	201,799	225,431	103,756	84,227	49,620	542,779	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		Municipal Tax	PUB Assessment	
	Expenses			
1	Operating & Maintenance	162,266	9,034	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.12
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(810)	(45)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(186)	(10)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(997)	(55)	
18	Subtotal Expenses	161,269	8,979	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	161,269	8,979	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	161,269	8,979	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2C

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	52,665,678	17,200,722	35,464,955	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	52,665,678	17,200,722	35,464,955	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	2,754,911	1,842,983	-	-	911,928	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	233,786	-	-	-	-	176,263	22,455	-	-	20,445	14,623	-	-	-	-	
8	Poles	10,715,857	-	-	-	-	6,197,495	2,118,011	-	-	1,096,961	1,303,391	-	-	-	-	
9	Primary Conductor & Equipment	1,952,775	-	-	-	-	1,732,111	220,664	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	1,159,639	-	-	-	-	-	-	418,630	741,009	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	357,154	-	-	-	-	-	-	-	-	208,221	148,933	-	-	-	-	
13	Services	558,391	-	-	-	-	-	-	-	-	-	-	558,391	-	-	-	
14	Meters	459,061	-	-	-	-	-	-	-	-	-	-	-	459,061	-	-	
15	Street Lighting	244,392	-	-	-	-	-	-	-	-	-	-	-	-	244,392	-	
16	Subtotal Distribution	18,435,966	1,842,983	-	-	911,928	8,105,869	2,361,129	418,630	741,009	1,325,626	1,466,948	558,391	459,061	244,392	-	
17	Subttl Prod, Trans, & Dist	71,101,643	19,043,705	35,464,955	-	911,928	8,105,869	2,361,129	418,630	741,009	1,325,626	1,466,948	558,391	459,061	244,392	-	
18	General	9,053,376	2,554,304	5,030,857	-	56,560	502,748	146,444	25,965	45,959	82,219	90,984	34,633	23,023	15,158	444,521	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	163,362	43,755	81,484	-	2,095	18,624	5,425	962	1,703	3,046	3,370	1,283	1,055	562	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	80,318,381	21,641,764	40,577,296	-	970,584	8,627,241	2,512,998	445,556	788,671	1,410,891	1,561,302	594,307	483,139	260,111	444,521	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Labrador Isolated
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.7
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch 2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Diesel	25,362,538	8,283,459	17,079,079	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	25,362,538	8,283,459	17,079,079	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
6	Substation Structures & Equipment	1,193,307	723,716	-	-	469,591	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	137,921	-	-	-	-	103,986	13,247	-	-	12,061	8,627	-	-	-	-	-
8	Poles	6,216,888	-	-	-	-	3,595,525	1,228,780	-	-	636,410	756,173	-	-	-	-	-
9	Primary Conductor & Equipment	634,283	-	-	-	-	562,609	71,674	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	815,051	-	-	-	-	-	-	294,234	520,818	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	88,378	-	-	-	-	-	-	-	-	51,525	36,854	-	-	-	-	-
13	Services	476,169	-	-	-	-	-	-	-	-	-	-	476,169	-	-	-	-
14	Meters	269,205	-	-	-	-	-	-	-	-	-	-	-	269,205	-	-	-
15	Street Lighting	136,291	-	-	-	-	-	-	-	-	-	-	-	-	136,291	-	-
16	Subtotal Distribution	9,967,494	723,716	-	-	469,591	4,262,119	1,313,702	294,234	520,818	699,996	801,653	476,169	269,205	136,291	-	-
17	Subtl Prod, Trans, & Dist	35,330,032	9,007,175	17,079,079	-	469,591	4,262,119	1,313,702	294,234	520,818	699,996	801,653	476,169	269,205	136,291	-	-
18	General	4,050,384	1,142,768	2,250,752	-	25,304	224,924	65,517	11,616	20,562	36,784	40,705	15,494	10,300	6,781	198,874	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	129,305	32,966	62,508	-	1,719	15,599	4,808	1,077	1,906	2,562	2,934	1,743	985	499	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Net Book Value	39,509,721	10,182,909	19,392,339	-	496,614	4,502,642	1,384,027	306,927	543,286	739,342	845,293	493,407	280,490	143,572	198,874	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
Production																	
1	Diesel	6,847,265	2,236,331	4,610,934	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	319,535	104,361	215,174	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	7,166,800	2,340,692	4,826,108	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	1,069,599	109,655	-	-	54,258	482,287	140,484	24,908	44,089	78,873	87,281	33,223	-	14,541	-	-
9	Meters	22,086	-	-	-	-	-	-	-	-	-	-	-	22,086	-	-	-
10	Subtotal Distribution	1,091,685	109,655	-	-	54,258	482,287	140,484	24,908	44,089	78,873	87,281	33,223	22,086	14,541	-	-
11	Subttl Prod, Trans, & Dist	8,258,486	2,450,347	4,826,108	-	54,258	482,287	140,484	24,908	44,089	78,873	87,281	33,223	22,086	14,541	-	-
12	Customer Accounting	426,429	-	-	-	-	-	-	-	-	-	-	-	-	-	426,429	-
		8,684,915	0.282138279	0.555688585	0	0.006247426	0.05553158	0.01617559	0.00286794	0.0050765	0.009081582	0.010049745	0.00382542	0.00254307	0.00167428	0.04910001	0
Administrative & General:																	
Plant-Related:																	
13	Production	715,417	233,657	481,760	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	381,282	38,115	-	-	18,860	167,641	48,831	8,658	15,325	27,416	30,339	11,548	9,494	5,054	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn and General Pll	426,386	114,890	215,413	-	5,153	45,799	13,341	2,365	4,187	7,490	8,288	3,155	2,565	1,381	2,360	-
18	Property Insurance	64,932	21,751	40,783	-	975	506	147	26	46	83	92	35	23	15	448	-
Revenue Related:																	
19	Municipal Tax	162,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	9,034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	1,796,546	506,874	998,320	-	11,224	99,765	29,060	5,152	9,120	16,315	18,055	6,873	4,569	3,008	88,210	-
22	Prod, Trans, and Distn Expense-Related	186,422	55,313	108,942	-	1,225	10,887	3,171	562	995	1,780	1,970	750	499	328	-	-
23	Subtotal Admin & General	3,742,284	970,600	1,845,218	-	37,436	324,598	94,551	16,764	29,674	53,085	58,744	22,361	17,149	9,787	91,018	-
24	Total Operating & Maintenance Expenses	12,427,199	3,420,947	6,671,326	-	91,695	806,885	235,035	41,672	73,763	131,957	146,025	55,584	39,236	24,328	517,447	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4C
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	Description	18		Basis of Functional Classification
		Revenue Related		
		Municipal Tax	PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	162,266	-	Revenue-related
20	PUB Assessment	-	9,034	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>162,266</u>	<u>9,034</u>	
24	Total Operating & Maintenance Expenses	<u>162,266</u>	<u>9,034</u>	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Customer (\$)	13 Services Customer (\$)	14 Meters Customer (\$)		
Production																	
1	Diesel	1,443,958	471,600	972,358	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	1,443,958	471,600	972,358	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substn Struct & Eqpt	46,064	25,971	-	-	20,093	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	3,233	-	-	-	-	2,437	311	-	-	283	202	-	-	-	-	
8	Poles	172,408	-	-	-	-	99,712	34,077	-	-	17,649	20,970	-	-	-	-	
9	Primary Conductor & Equipment	23,892	-	-	-	-	21,192	2,700	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	39,624	-	-	-	-	-	-	14,304	25,319	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	2,160	-	-	-	-	-	-	-	-	1,259	901	-	-	-	-	
13	Services	8,139	-	-	-	-	-	-	-	-	-	-	8,139	-	-	-	
14	Meters	21,942	-	-	-	-	-	-	-	-	-	-	-	21,942	-	-	
15	Street Lighting	13,253	-	-	-	-	-	-	-	-	-	-	-	-	13,253	-	
16	Subtotal Distribution	330,713	25,971	-	-	20,093	123,341	37,087	14,304	25,319	19,191	22,073	8,139	21,942	13,253	-	
17	Subtotal Prod Tran & Dist	1,774,671	497,571	972,358	-	20,093	123,341	37,087	14,304	25,319	19,191	22,073	8,139	21,942	13,253	-	
18	General	288,543	81,409	160,340	-	1,803	16,023	4,667	828	1,465	2,620	2,900	1,104	734	483	14,167	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	34,589	9,698	18,952	-	392	2,404	723	279	493	374	430	159	428	258	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	2,097,803	588,678	1,151,650	-	22,287	141,768	42,477	15,410	27,278	22,185	25,403	9,402	23,103	13,994	14,167	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Customer (\$)	13 Services Customer (\$)	14 Meters Customer (\$)		
1	Average Net Book Value	39,509,721	10,182,909	19,392,339	-	496,614	4,502,642	1,384,027	306,927	543,286	739,342	845,293	493,407	280,490	143,572	198,874	-
2	Cash Working Capital	252,593	65,101	123,979	-	3,175	28,786	8,848	1,962	3,473	4,727	5,404	3,154	1,793	918	1,271	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	3,526,209	-	3,526,209	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	871,438	234,809	440,255	-	10,531	93,604	27,266	4,834	8,557	15,308	16,940	6,448	5,242	2,822	4,823	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	2,436,736	628,024	1,196,010	-	30,628	277,697	85,359	18,929	33,507	45,598	52,133	30,431	17,299	8,855	12,265	-
8	Total Rate Base	46,596,697	11,110,843	24,678,792	-	540,948	4,902,730	1,505,500	332,653	588,823	804,975	919,769	533,440	304,825	156,166	217,234	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	46,596,697	11,110,843	24,678,792	-	540,948	4,902,730	1,505,500	332,653	588,823	804,975	919,769	533,440	304,825	156,166	217,234	-
11	Return on Debt	2,375,380	566,402	1,258,062	-	27,576	249,929	76,747	16,958	30,017	41,036	46,887	27,193	15,539	7,961	11,074	-
12	Return on Equity	936,759	223,367	496,131	-	10,875	98,562	30,266	6,687	11,837	16,183	18,491	10,724	6,128	3,139	4,367	-
13	Return on Rate Base	3,312,140	789,770	1,754,193	-	38,451	348,491	107,012	23,645	41,854	57,218	65,378	37,917	21,667	11,100	15,441	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Labrador Isolated
 Functional Classification of Rate Base (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Substations Demand (CP kW)	Distribution										16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
							7 Primary Lines Demand Customer (CP kW) (Rural Cust)		8 Line Transformers Demand Customer (CP kW) (Rural Cust)		9 Secondary Lines Demand Customer (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer (Rural Cust)	12 Street Lighting Customer (Rural Cust)			
Amounts																		
1	1.2 Domestic Diesel	-	4,560	23,507	4,560	4,415	4,415	2,064	4,195	2,064	4,195	2,064	2,064	2,064	-	2,064	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	-	884	4,810	884	856	856	415	813	415	813	415	780	780	-	415	-	
5	2.2 GS 10-100 kW	-	1,914	11,169	1,914	1,853	1,853	138	1,761	138	1,761	138	659	659	-	138	-	
6	2.3 GS 110-1,000 kVa	-	178	2,891	178	172	172	7	163	7	163	7	55	55	-	7	-	
7	2.4 GS Over 1,000 kVa	-	79	2,702	79	76	76	1	72	1	72	1	8	8	-	1	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	-	82	321	82	79	79	82	75	82	75	82	-	-	82	82	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	-	7,696	45,400	7,696	7,451	7,451	2,707	7,080	2,707	7,080	2,707	3,566	3,566	82	2,707	-	
Ratios																		
13	1.2 Domestic Diesel	-	0.5925	0.5178	0.5925	0.5925	0.5925	0.7624	0.5925	0.7624	0.5925	0.7624	0.5789	0.5789	-	0.7624	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	-	0.1149	0.1059	0.1149	0.1149	0.1149	0.1534	0.1149	0.1534	0.1149	0.1534	0.2187	0.2187	-	0.1534	-	
17	2.2 GS 10-100 kW	-	0.2487	0.2460	0.2487	0.2487	0.2487	0.0510	0.2487	0.0510	0.2487	0.0510	0.1848	0.1848	-	0.0510	-	
18	2.3 GS 110-1,000 kVa	-	0.0231	0.0637	0.0231	0.0231	0.0231	0.0024	0.0231	0.0024	0.0231	0.0024	0.0153	0.0153	-	0.0024	-	
19	2.4 GS Over 1,000 kVa	-	0.0102	0.0595	0.0102	0.0102	0.0102	0.0004	0.0102	0.0004	0.0102	0.0004	0.0024	0.0024	-	0.0004	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	-	0.0106	0.0071	0.0106	0.0106	0.0106	0.0304	0.0106	0.0304	0.0106	0.0304	-	-	1.0000	0.0304	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1C

Page 2 of 2

**NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service (CONT'D.)**

Line No.	1 Description	18 19 Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.2 Domestic Diesel	3,083,957	3,083,957
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	1,096,168	1,096,168
5	2.2 GS 10-100 kW	1,957,521	1,957,521
6	2.3 GS 110-1,000 kVa	178,644	178,644
7	2.4 GS Over 1,000 kVa	240,507	240,507
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	115,211	115,211
11	4.1G Gov't Street and Area Lighting	-	-
12	Total	6,672,008	6,672,008
Ratios			
13	1.2 Domestic Diesel	0.4622	0.4622
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1643	0.1643
17	2.2 GS 10-100 kW	0.2934	0.2934
18	2.3 GS 110-1,000 kVa	0.0268	0.0268
19	2.4 GS Over 1,000 kVa	0.0360	0.0360
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0173	0.0173
23	4.1G Gov't Street and Area Lighting	-	-
24	Total	1.0000	1.0000

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2C

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Labrador Isolated
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		18	19	
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	74,542	4,150	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	26,495	1,475	
5	2.2 GS 10-100 kW	47,315	2,634	
6	2.3 GS 110-1,000 kVa	4,318	240	
7	2.4 GS Over 1,000 kVa	5,813	324	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	2,785	155	
11	4.1G Gov't Street and Area Lighting	-	-	
12	Total	161,269	8,979	
Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	Total	-	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2C
Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)			14 Street Lighting Customer (\$)
						10 Customer (\$)	11 Customer (\$)	10 Customer (\$)	11 Customer (\$)	10 Customer (\$)	11 Customer (\$)							
Total Revenue Requirement																		
1	1.2 Domestic Diesel	18,175,410	2,845,744	13,172,641	-	90,693	736,780	279,092	48,119	109,598	119,564	171,865	60,061	48,756	-	413,806	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	3,705,076	551,820	2,695,155	-	17,586	142,869	56,156	9,331	22,052	23,185	34,581	22,689	18,418	-	83,262	-	
5	2.2 GS 10-100 kW	8,021,182	1,194,545	6,259,033	-	38,070	309,275	18,674	20,199	7,333	50,189	11,499	19,169	15,561	-	27,687	-	
6	2.3 GS 110-1,000 kVa	1,780,060	110,790	1,620,014	-	3,531	28,684	879	1,873	345	4,655	541	1,592	1,293	-	1,303	-	
7	2.4 GS Over 1,000 kVa	1,587,471	49,003	1,514,279	-	1,562	12,687	135	829	53	2,059	83	245	199	-	200	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	340,622	51,134	180,147	-	1,630	13,239	11,142	865	4,375	2,148	6,861	-	-	49,620	16,520	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	33,609,821	4,803,036	25,441,269	-	153,072	1,243,534	366,078	81,215	143,757	201,799	225,431	103,756	84,227	49,620	542,779	-	
Re-classification of Revenue-Related																		
13	1.2 Domestic Diesel	(0)	12,375	57,280	-	394	3,204	1,214	209	477	520	747	261	212	-	1,799	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	(0)	4,198	20,501	-	134	1,087	427	71	168	176	263	173	140	-	633	-	
17	2.2 GS 10-100 kW	0	7,485	39,220	-	239	1,938	117	127	46	314	72	120	98	-	173	-	
18	2.3 GS 110-1,000 kVa	0	284	4,159	-	9	74	2	5	1	12	1	4	3	-	3	-	
19	2.4 GS Over 1,000 kVa	(0)	190	5,877	-	6	49	1	3	0	8	0	1	1	-	1	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	(0)	445	1,568	-	14	115	97	8	38	19	60	-	-	432	144	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	(0)	24,977	128,606	-	796	6,467	1,858	422	729	1,049	1,144	559	454	432	2,754	-	
Total Allocated Revenue Requirement																		
25	1.2 Domestic Diesel	18,175,410	2,858,118	13,229,921	-	91,088	739,984	280,306	48,328	110,074	120,084	172,612	60,322	48,968	-	415,606	-	
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	2.1 GS 0-10 kW	3,705,076	556,018	2,715,657	-	17,720	143,956	56,583	9,402	22,220	23,361	34,844	22,862	18,558	-	83,895	-	
29	2.2 GS 10-100 kW	8,021,182	1,202,030	6,298,253	-	38,308	311,213	18,791	20,325	7,379	50,503	11,571	19,289	15,659	-	27,861	-	
30	2.3 GS 110-1,000 kVa	1,780,060	111,075	1,624,174	-	3,540	28,758	881	1,878	346	4,667	543	1,597	1,296	-	1,307	-	
31	2.4 GS Over 1,000 kVa	1,587,471	49,193	1,520,155	-	1,568	12,736	136	832	53	2,067	84	246	200	-	201	-	
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	4.1 Street and Area Lighting	340,622	51,579	181,716	-	1,644	13,354	11,239	872	4,413	2,167	6,921	-	-	50,052	16,664	-	
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	Total	33,609,821	4,828,013	25,569,876	-	153,868	1,250,001	367,936	81,637	144,486	202,849	226,575	104,315	84,681	50,052	545,533	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2C
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	18		19	Basis of Proration
		Revenue Related			
		Municipal Tax (\$)	PUB Assessment (\$)		
Total Revenue Requirement					
1	1.2 Domestic Diesel	74,542	4,150		
2	1.2G Government Domestic Diesel	-	-		
3	1.23 Churches, Schools & Com Halls	-	-		
4	2.1 GS 0-10 kW	26,495	1,475		
5	2.2 GS 10-100 kW	47,315	2,634		
6	2.3 GS 110-1,000 kVa	4,318	240		
7	2.4 GS Over 1,000 kVa	5,813	324		
8	2.5 GS Diesel	-	-		
9	2.5G Gov't General Service Diesel	-	-		
10	4.1 Street and Area Lighting	2,785	155		
11	4.1G Gov't Street and Area Lighting	-	-		
12	Total	161,269	8,979		
Re-classification of Revenue-Related					
13	1.2 Domestic Diesel	(74,542)	(4,150)		Re-classification to demand, energy and customer is based on rate class revenue
14	1.2G Government Domestic Diesel	-	-		requirements excluding revenue-related items.
15	1.23 Churches, Schools & Com Halls	-	-		
16	2.1 GS 0-10 kW	(26,495)	(1,475)		
17	2.2 GS 10-100 kW	(47,315)	(2,634)		
18	2.3 GS 110-1,000 kVa	(4,318)	(240)		
19	2.4 GS Over 1,000 kVa	(5,813)	(324)		
20	2.5 GS Diesel	-	-		
21	2.5G Gov't General Service Diesel	-	-		
22	4.1 Street and Area Lighting	(2,785)	(155)		
23	4.1G Gov't Street and Area Lighting	-	-		
24	Total	(161,269)	(8,979)		
Total Allocated Revenue Requirement					
25	1.2 Domestic Diesel	-	-		
26	1.2G Government Domestic Diesel	-	-		
27	1.23 Churches, Schools & Com Halls	-	-		
28	2.1 GS 0-10 kW	-	-		
29	2.2 GS 10-100 kW	-	-		
30	2.3 GS 110-1,000 kVa	-	-		
31	2.4 GS Over 1,000 kVa	-	-		
32	2.5 GS Diesel	-	-		
33	2.5G Gov't General Service Diesel	-	-		
34	4.1 Street and Area Lighting	-	-		
35	4.1G Gov't Street and Area Lighting	-	-		
36	Total	-	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services	13 Meters	14 Street Lighting			
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
Expenses																		
1	Operating & Maintenance	1,392,297	634,996	-	-	5,356	299,495	90,256	14,994	26,540	54,308	59,190	13,531	16,549	5,560	101,682	-	
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Fuels-Diesel	1,131,462	-	1,131,462	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Power Purchases-Other	3,328,793	-	3,328,793	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Depreciation	343,157	151,251	-	-	3,249	84,280	25,805	8,816	15,604	13,670	15,662	3,295	12,013	4,927	4,586	-	
Expense Credits																		
8	Sundry	(6,953)	(3,171)	-	-	(27)	(1,496)	(451)	(75)	(133)	(271)	(296)	(68)	(83)	(28)	(508)	-	
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Suppliers' Discounts	(1,598)	(729)	-	-	(6)	(344)	(104)	(17)	(30)	(62)	(68)	(16)	(19)	(6)	(117)	-	
12	Pole Attachments	(90,792)	-	-	-	-	(52,510)	(17,945)	-	-	(9,294)	(11,043)	-	-	-	-	-	
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Application Fees	(360)	-	-	-	-	-	-	-	-	-	-	-	-	-	(360)	-	
16	Meter Test Revenues	(111)	-	-	-	-	-	-	-	-	-	-	-	(111)	-	-	-	
17	Total Expense Credits	(99,815)	(3,900)	-	-	(33)	(54,349)	(18,500)	(92)	(163)	(9,628)	(11,407)	(83)	(212)	(34)	(985)	-	
18	Subtotal Expenses	6,095,895	782,347	4,460,255	-	8,572	329,426	97,561	23,717	41,981	58,350	63,445	16,742	28,349	10,453	105,284	-	
19	Disposal Gain / Loss	32,701	12,245	-	-	299	10,021	3,110	658	1,164	1,658	1,902	675	557	196	218	-	
20	Subtotal Revenue Requirement Ex. Return	6,128,596	794,592	4,460,255	-	8,871	339,446	100,671	24,375	43,145	60,008	65,347	17,418	28,906	10,649	105,502	-	
21	Return on Debt	477,728	178,456	2,581	-	4,295	145,429	45,109	9,498	16,812	24,106	27,623	9,732	8,053	2,848	3,187	-	
22	Return on Equity	188,398	70,376	1,018	-	1,694	57,352	17,789	3,746	6,630	9,507	10,893	3,838	3,176	1,123	1,257	-	
23	Total Revenue Requirement	6,794,722	1,043,424	4,463,854	-	14,860	542,226	163,569	37,618	66,587	93,621	103,863	30,988	40,135	14,621	109,946	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1D
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18	19	
		Municipal Tax (\$)	PUB Assessment (\$)	
	Expenses			
1	Operating & Maintenance	66,157	3,683	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.13
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(330)	(18)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(76)	(4)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(406)	(23)	
18	Subtotal Expenses	65,750	3,661	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	65,750	3,661	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	65,750	3,661	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	7,084,634	7,084,634	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	7,084,634	7,084,634	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	153,816	66,299	-	-	87,518	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	66,401	-	-	-	-	50,063	6,378	-	-	5,807	4,153	-	-	-	-	
8	Poles	7,063,600	-	-	-	-	4,085,219	1,396,135	-	-	723,087	859,160	-	-	-	-	
9	Primary Conductor & Equipment	1,012,971	-	-	-	-	898,506	114,466	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	698,083	-	-	-	-	-	-	252,008	446,075	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	315,434	-	-	-	-	-	-	-	-	183,898	131,536	-	-	-	-	
13	Services	227,423	-	-	-	-	-	-	-	-	-	-	227,423	-	-	-	
14	Meters	233,834	-	-	-	-	-	-	-	-	-	-	-	233,834	-	-	
15	Street Lighting	93,455	-	-	-	-	-	-	-	-	-	-	-	-	93,455	-	
16	Subtotal Distribution	9,865,018	66,299	-	-	87,518	5,033,787	1,516,978	252,008	446,075	912,791	994,849	227,423	233,834	93,455	-	
17	Subttl Prod, Trans, & Dist	16,949,652	7,150,932	-	-	87,518	5,033,787	1,516,978	252,008	446,075	912,791	994,849	227,423	233,834	93,455	-	
18	General	1,638,496	785,764	-	-	6,225	358,030	107,896	17,924	31,727	64,923	70,759	16,176	20,499	6,647	151,927	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	38,943	16,430	-	-	201	11,566	3,485	579	1,025	2,097	2,286	523	537	215	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	18,627,091	7,953,126	-	-	93,944	5,403,383	1,628,359	270,511	478,827	979,811	1,067,894	244,121	254,870	100,317	151,927	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup

Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.8
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		6 Substations Demand (\$)	11 Distribution								16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
				5 Transmission Energy (\$)	5 Transmission Demand (\$)		7 Primary Lines		9 Line Transformers		12 Secondary Lines		13 Services	14 Meters			15 Street Lighting
							8 Demand (\$)	8 Customer (\$)	9 Demand (\$)	9 Customer (\$)	12 Demand (\$)	12 Customer (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)		
Production																	
1	Diesel	2,877,593	2,877,593	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	2,877,593	2,877,593	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
6	Substation Structures & Equipment	89,182	13,857	-	-	75,325	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	20,036	-	-	-	-	15,107	1,925	-	-	1,752	1,253	-	-	-	-	-
8	Poles	3,659,178	-	-	-	-	2,116,278	723,244	-	-	374,583	445,073	-	-	-	-	-
9	Primary Conductor & Equipment	384,856	-	-	-	-	341,367	43,489	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	455,306	-	-	-	-	-	-	164,365	290,940	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	52,505	-	-	-	-	-	-	-	-	30,610	21,895	-	-	-	-	-
13	Services	169,582	-	-	-	-	-	-	-	-	-	-	169,582	-	-	-	-
14	Meters	137,126	-	-	-	-	-	-	-	-	-	-	-	137,126	-	-	-
15	Street Lighting	48,623	-	-	-	-	-	-	-	-	-	-	-	-	48,623	-	-
16	Subtotal Distribution	5,016,394	13,857	-	-	75,325	2,472,752	768,657	164,365	290,940	406,945	468,221	169,582	137,126	48,623	-	-
17	Subttl Prod, Trans, & Dist	7,893,987	2,891,450	-	-	75,325	2,472,752	768,657	164,365	290,940	406,945	468,221	169,582	137,126	48,623	-	-
18	General	614,635	294,757	-	-	2,335	134,305	40,474	6,724	11,902	24,354	26,543	6,068	7,690	2,493	56,991	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	28,891	10,582	-	-	276	9,050	2,813	602	1,065	1,489	1,714	621	502	178	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Net Book Value	8,537,513	3,196,789	-	-	77,936	2,616,107	811,944	171,691	303,907	432,789	496,478	176,271	145,318	51,294	56,991	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7-8 Primary Lines Demand (\$) Customer (\$)		9-10 Line Transformers Demand (\$) Customer (\$)		11-12 Secondary Lines Demand (\$) Customer (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	385,947	385,947	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	42,713	42,713	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	428,660	428,660	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	375,958	2,588	-	-	3,416	196,497	59,216	9,837	17,413	35,631	38,834	8,878	-	3,648	-	
9	Meters	11,250	-	-	-	-	-	-	-	-	-	-	-	11,250	-	-	
10	Subtotal Distribution	387,209	2,588	-	-	3,416	196,497	59,216	9,837	17,413	35,631	38,834	8,878	11,250	3,648	-	
11	Subttl Prod, Trans, & Dist	815,869	431,248	-	-	3,416	196,497	59,216	9,837	17,413	35,631	38,834	8,878	11,250	3,648	-	
12	Customer Accounting	83,381	-	-	-	-	-	-	-	-	-	-	-	-	-	83,381	
Administrative & General:																	
Plant-Related:																	
13	Production	85,563	85,563	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Distribution	107,333	721	-	-	952	54,768	16,505	2,742	4,853	9,931	10,824	2,474	2,544	1,017	-	
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Prod,Trans, Distn & General Plt	2,465	1,053	-	-	12	715	216	36	63	130	141	32	34	13	20	
18	Property Insurance	15,059	13,464	-	-	159	607	183	30	54	110	120	27	35	11	258	
Revenue Related:																	
19	Municipal Tax	66,157	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	PUB Assessment	3,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	All Expense-Related	194,370	93,213	-	-	738	42,472	12,799	2,126	3,764	7,702	8,394	1,919	2,432	789	18,023	
22	Prod, Trans, and Distn Expense-Related	18,417	9,735	-	-	77	4,436	1,337	222	393	804	877	200	254	82	-	
23	Subtotal Admin & General	493,047	203,748	-	-	1,939	102,998	31,040	5,156	9,127	18,677	20,356	4,653	5,298	1,912	18,300	
24	Total Operating & Maintenance Expenses	1,392,297	634,996	-	-	5,356	299,495	90,256	14,994	26,540	54,308	59,190	13,531	16,549	5,560	101,682	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod,Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	66,157	-	Revenue-related
20	PUB Assessment	-	3,683	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>66,157</u>	<u>3,683</u>	
24	Total Operating & Maintenance Expenses	<u><u>66,157</u></u>	<u><u>3,683</u></u>	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		5 Transmission Demand (\$)	6 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				7 Transmission Energy (\$)	8 Substations Demand (\$)		9 Primary Lines		10 Line Transformers		11 Secondary Lines		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)			
Production																		
1	Diesel	124,664	124,664	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Subtotal Production	124,664	124,664	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transmission																		
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Distribution																		
6	Substation Structures & Equipment	3,432	429	-	-	3,003	-	-	-	-	-	-	-	-	-	-		
7	Land & Land Improvements	493	-	-	-	-	371	47	-	-	43	31	-	-	-	-		
8	Poles	104,343	-	-	-	-	60,346	20,624	-	-	10,681	12,691	-	-	-	-		
9	Primary Conductor & Equipment	12,795	-	-	-	-	11,349	1,446	-	-	-	-	-	-	-	-		
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Transformers	22,483	-	-	-	-	-	-	8,116	14,366	-	-	-	-	-	-		
12	Secondary Conductors & Equipment	1,306	-	-	-	-	-	-	-	-	762	545	-	-	-	-		
13	Services	2,753	-	-	-	-	-	-	-	-	-	-	2,753	-	-	-		
14	Meters	11,176	-	-	-	-	-	-	-	-	-	-	-	11,176	-	-		
15	Street Lighting	4,636	-	-	-	-	-	-	-	-	-	-	-	-	4,636	-		
16	Subtotal Distribution	163,416	429	-	-	3,003	72,067	22,117	8,116	14,366	11,486	13,267	2,753	11,176	4,636	-		
17	Subtotal Prod Tran & Dist	288,080	125,093	-	-	3,003	72,067	22,117	8,116	14,366	11,486	13,267	2,753	11,176	4,636	-		
18	General	49,463	23,720	-	-	188	10,808	3,257	541	958	1,960	2,136	488	619	201	4,586		
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	Software - General	5,615	2,438	-	-	59	1,405	431	158	280	224	259	54	218	90	-		
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
23	Total Depreciation Expense	343,157	151,251	-	-	3,249	84,280	25,805	8,816	15,604	13,670	15,662	3,295	12,013	4,927	4,586		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lightin Customer (\$)		
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
1	Average Net Book Value	8,537,513	3,196,789	-	-	77,936	2,616,107	811,944	171,691	303,907	432,789	496,478	176,271	145,318	51,294	56,991	-
2	Cash Working Capital	54,582	20,438	-	-	498	16,725	5,191	1,098	1,943	2,767	3,174	1,127	929	328	364	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	50,623	-	50,623	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	202,100	86,290	-	-	1,019	58,626	17,667	2,935	5,195	10,631	11,586	2,649	2,765	1,088	1,648	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	526,545	197,160	-	-	4,807	161,347	50,076	10,589	18,743	26,692	30,620	10,871	8,962	3,164	3,515	-
8	Total Rate Base	9,371,364	3,500,676	50,623	-	84,260	2,852,804	884,879	186,312	329,788	472,878	541,858	190,918	157,974	55,874	62,519	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	9,371,364	3,500,676	50,623	-	84,260	2,852,804	884,879	186,312	329,788	472,878	541,858	190,918	157,974	55,874	62,519	-
11	Return on Debt	477,728	178,456	2,581	-	4,295	145,429	45,109	9,498	16,812	24,106	27,623	9,732	8,053	2,848	3,187	-
12	Return on Equity	188,398	70,376	1,018	-	1,694	57,352	17,789	3,746	6,630	9,507	10,893	3,838	3,176	1,123	1,257	-
13	Return on Rate Base	666,126	248,832	3,598	-	5,989	202,780	62,898	13,243	23,442	33,613	38,516	13,571	11,229	3,972	4,444	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1D

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	Distribution										16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer	
						6 Substations Demand (CP kW)	7 Primary Lines Demand Customer (CP kW) (Rural Cust)		9 Line Transformers Demand Customer (CP kW) (Rural Cust)		11 Secondary Lines Demand Customer (CP kW) (Rural Cust)		12 Services Customer (Wtd Rural Cust)	13 Meters Customer	14 Street Lightin Customer			
Amounts																		
1	1.1 Domestic Diesel	-	1,034	4,931	1,034	985	985	406	913	406	913	406	406	406	406	-	406	-
2	1.12 Domestic All Electric	-	2,975	11,645	2,975	2,835	2,835	386	2,627	386	2,627	386	386	386	386	-	386	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	-	1,315	6,916	1,315	1,254	1,254	206	1,162	206	1,162	206	983	983	-	206	-	
5	2.3 GS 110-1,000 kVa	-	308	2,445	308	294	294	5	272	5	272	5	42	42	-	5	-	
6	4.1 Street and Area Lighting	-	37	148	37	36	36	32	33	32	33	32	-	-	1	32	-	
7	Total	-	5,669	26,084	5,669	5,403	5,403	1,035	5,006	1,035	5,006	1,035	1,816	1,816	1	1,035	0	
Ratios																		
8	1.1 Domestic Diesel	-	0.1823	0.1890	0.1823	0.1823	0.1823	0.3925	0.1823	0.3925	0.1823	0.3925	0.2235	0.2235	-	0.3925	-	
9	1.12 Domestic All Electric	-	0.5247	0.4464	0.5247	0.5247	0.5247	0.3726	0.5247	0.3726	0.5247	0.3726	0.2123	0.2123	-	0.3726	-	
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	2.2 GS 10-100 kW	-	0.2320	0.2651	0.2320	0.2320	0.2320	0.1991	0.2320	0.1991	0.2320	0.1991	0.5410	0.5410	-	0.1991	-	
12	2.3 GS 110-1,000 kVa	-	0.0544	0.0937	0.0544	0.0544	0.0544	0.0048	0.0544	0.0048	0.0544	0.0048	0.0232	0.0232	-	0.0048	-	
13	4.1 Street and Area Lighting	-	0.0066	0.0057	0.0066	0.0066	0.0066	0.0309	0.0066	0.0309	0.0066	0.0309	-	-	1.0000	0.0309	-	
14	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	Revenue Related	
		18 Municipal Tax (Prior Year (Rural Revenues)	19 PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.1 Domestic Diesel	570,211	570,211
2	1.12 Domestic All Electric	1,122,691	1,122,691
3	2.1 GS 0-10 kW	-	-
4	2.2 GS 10-100 kW	709,945	709,945
5	2.3 GS 110-1,000 kVa	272,034	272,034
6	4.1 Street and Area Lighting	45,335	45,335
7	Total	2,720,217	2,720,217
Ratios			
8	1.1 Domestic Diesel	0.2096	0.2096
9	1.12 Domestic All Electric	0.4127	0.4127
10	2.1 GS 0-10 kW	-	-
11	2.2 GS 10-100 kW	0.2610	0.2610
12	2.3 GS 110-1,000 kVa	0.1000	0.1000
13	4.1 Street and Area Lighting	0.0167	0.0167
14	Total	1.0000	1.0000

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	6 Substations Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services	13 Meters	14 Street Lightin			
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
Allocated Revenue Requirement Excluding Return																		
1	1.1 Domestic Diesel	1,215,348	144,893	843,155	-	1,618	61,897	39,509	4,445	16,933	10,942	25,646	3,894	6,462	-	41,405	-	
2	1.12 Domestic All Electric	2,790,832	416,900	1,991,169	-	4,654	178,098	37,514	12,789	16,078	31,485	24,351	3,697	6,135	-	39,315	-	
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.2 GS 10-100 kW	1,573,163	184,360	1,182,571	-	2,058	78,758	20,047	5,655	8,592	13,923	13,013	9,423	15,639	-	21,009	-	
5	2.3 GS 110-1,000 kVa	494,388	43,201	418,125	-	482	18,455	487	1,325	209	3,263	316	404	670	-	510	-	
6	4.1 Street and Area Lighting	54,865	5,238	25,235	-	58	2,238	3,114	161	1,335	396	2,021	-	-	10,649	3,263	-	
7	Total	6,128,596	794,592	4,460,255	-	8,871	339,446	100,671	24,375	43,145	60,008	65,347	17,418	28,906	10,649	105,502	-	
Allocated Return on Debt and Equity																		
8	1.1 Domestic Diesel	148,956	45,374	680	-	1,092	36,977	24,685	2,415	9,200	6,129	15,116	3,034	2,510	-	1,744	-	
9	1.12 Domestic All Electric	319,727	130,555	1,606	-	3,142	106,393	23,439	6,948	8,735	17,636	14,353	2,880	2,383	-	1,656	-	
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	2.2 GS 10-100 kW	157,162	57,734	954	-	1,390	47,049	12,525	3,073	4,668	7,799	7,670	7,342	6,075	-	885	-	
12	2.3 GS 110-1,000 kVa	28,964	13,529	337	-	326	11,025	304	720	113	1,827	186	315	260	-	21	-	
13	4.1 Street and Area Lighting	11,317	1,640	20	-	39	1,337	1,946	87	725	222	1,191	-	-	3,972	137	-	
14	Total	666,126	248,832	3,598	-	5,989	202,780	62,898	13,243	23,442	33,613	38,516	13,571	11,229	3,972	4,444	-	

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.1 Domestic Diesel	13,783	767	
2	1.12 Domestic All Electric	27,137	1,511	
3	2.1 GS 0-10 kW	-	-	
4	2.2 GS 10-100 kW	17,160	955	
5	2.3 GS 110-1,000 kVa	6,575	366	
6	4.1 Street and Area Lighting	1,096	61	
7	Total	65,750	3,661	
Allocated Return on Debt and Equity				
8	1.1 Domestic Diesel	-	-	
9	1.12 Domestic All Electric	-	-	
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	-	-	
12	2.3 GS 110-1,000 kVa	-	-	
13	4.1 Street and Area Lighting	-	-	
14	Total	-	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lightin Customer (\$)		
Total Revenue Requirement																	
1	1.1 Domestic Diesel	1,364,304	190,267	843,835	-	2,710	98,874	64,194	6,860	26,133	17,072	40,762	6,927	8,972	-	43,149	-
2	1.12 Domestic All Electric	3,110,559	547,455	1,992,775	-	7,797	284,491	60,953	19,737	24,813	49,120	38,704	6,577	8,519	-	40,971	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,730,326	242,094	1,183,525	-	3,448	125,807	32,571	8,728	13,259	21,722	20,682	16,766	21,714	-	21,893	-
5	2.3 GS 110-1,000 kVa	523,351	56,730	418,462	-	808	29,480	791	2,045	322	5,090	502	718	930	-	531	-
6	4.1 Street and Area Lighting	66,182	6,878	25,256	-	98	3,574	5,060	248	2,060	617	3,213	-	-	14,621	3,401	-
7	Total	6,794,722	1,043,424	4,463,854	-	14,860	542,226	163,569	37,618	66,587	93,621	103,863	30,988	40,135	14,621	109,946	-
Re-classification of Revenue-Related																	
8	1.1 Domestic Diesel	0	2,051	9,096	-	29	1,066	692	74	282	184	439	75	97	-	465	-
9	1.12 Domestic All Electric	-	5,089	18,524	-	72	2,644	567	183	231	457	360	61	79	-	381	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	(0)	2,561	12,522	-	36	1,331	345	92	140	230	219	177	230	-	232	-
12	2.3 GS 110-1,000 kVa	0	763	5,625	-	11	396	11	27	4	68	7	10	13	-	7	-
13	4.1 Street and Area Lighting	-	122	449	-	2	64	90	4	37	11	57	-	-	260	61	-
14	Total	0	10,586	46,216	-	151	5,501	1,704	382	694	950	1,082	323	418	260	1,145	-
Total Allocated Revenue Requirement																	
15	1.1 Domestic Diesel	1,364,304	192,318	852,931	-	2,739	99,940	64,886	6,934	26,414	17,256	41,201	7,002	9,068	-	43,614	-
16	1.12 Domestic All Electric	3,110,559	552,544	2,011,299	-	7,869	287,135	61,519	19,921	25,044	49,577	39,064	6,638	8,598	-	41,351	-
17	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	2.2 GS 10-100 kW	1,730,326	244,655	1,196,047	-	3,484	127,138	32,916	8,820	13,400	21,952	20,901	16,943	21,944	-	22,125	-
19	2.3 GS 110-1,000 kVa	523,351	57,492	424,087	-	819	29,877	801	2,073	326	5,158	509	728	943	-	539	-
20	4.1 Street and Area Lighting	66,182	7,001	25,705	-	100	3,638	5,150	252	2,096	628	3,270	-	-	14,881	3,461	-
21	Total	6,794,722	1,054,010	4,510,069	-	15,011	547,727	165,273	38,000	67,281	94,571	104,945	31,311	40,553	14,881	111,091	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2D

Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
	Total Revenue Requirement			
1	1.1 Domestic Diesel	13,783	767	
2	1.12 Domestic All Electric	27,137	1,511	
3	2.1 GS 0-10 kW	-	-	
4	2.2 GS 10-100 kW	17,160	955	
5	2.3 GS 110-1,000 kVa	6,575	366	
6	4.1 Street and Area Lighting	1,096	61	
7	Total	65,750	3,661	
	Re-classification of Revenue-Related			
8	1.1 Domestic Diesel	(13,783)	(767)	Re-classification to demand, energy and customer is based on rate class revenue
9	1.12 Domestic All Electric	(27,137)	(1,511)	requirements excluding revenue-related items.
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	(17,160)	(955)	
12	2.3 GS 110-1,000 kVa	(6,575)	(366)	
13	4.1 Street and Area Lighting	(1,096)	(61)	
14	Total	(65,750)	(3,661)	
	Total Allocated Revenue Requirement			
15	1.1 Domestic Diesel	-	-	
16	1.12 Domestic All Electric	-	-	
17	2.1 GS 0-10 kW	-	-	
18	2.2 GS 10-100 kW	-	-	
19	2.3 GS 110-1,000 kVa	-	-	
20	4.1 Street and Area Lighting	-	-	
21	Total	-	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1E

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Expenses																	
1	Operating & Maintenance	6,870,468	1,026,872	-	501,352	648,601	1,215,471	336,043	254,764	450,954	185,634	205,084	91,558	142,087	40,844	1,309,383	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	95,888	95,888	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	211,884	211,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	2,112,595	1,243,504	869,091	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	711,659	-	-	-	711,659	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	3,099,571	352,718	-	316,754	724,483	519,743	149,812	199,673	353,438	80,347	90,920	31,574	106,143	46,664	127,302	-
Expense Credits																	
8	Sundry	(34,312)	(5,128)	-	(2,504)	(3,239)	(6,070)	(1,678)	(1,272)	(2,252)	(927)	(1,024)	(457)	(710)	(204)	(6,539)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(7,888)	(1,179)	-	(576)	(745)	(1,395)	(386)	(292)	(518)	(213)	(235)	(105)	(163)	(47)	(1,503)	-
12	Pole Attachments	(227,516)	-	-	-	-	(131,584)	(44,969)	-	-	(23,290)	(27,673)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(11,820)	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,820)	-
16	Meter Test Revenues	(919)	-	-	-	-	-	-	-	-	-	-	-	(919)	-	-	-
17	Total Expense Credits	(282,456)	(6,307)	-	(3,079)	(3,984)	(139,049)	(47,033)	(1,565)	(2,770)	(24,431)	(28,933)	(562)	(1,792)	(251)	(19,863)	-
18	Subtotal Expenses	12,819,608	2,924,558	869,091	815,027	2,080,758	1,596,165	438,822	452,872	801,622	241,550	267,070	122,569	246,437	87,258	1,416,823	-
19	Disposal Gain / Loss	141,729	13,634	-	16,769	32,189	29,101	8,699	7,555	13,374	5,074	5,612	2,727	2,438	918	3,638	-
20	Subtotal Revenue Requirement Ex. Return	12,961,337	2,938,192	869,091	831,796	2,112,948	1,625,266	447,521	460,428	814,996	246,624	272,683	125,296	248,875	88,176	1,420,461	-
21	Return on Debt	4,268,344	428,310	-	508,108	960,012	873,366	260,728	226,005	400,047	151,960	168,074	81,559	73,187	27,590	109,397	-
22	Return on Equity	1,683,272	168,909	-	200,378	378,592	344,422	102,821	89,128	157,763	59,927	66,282	32,164	28,862	10,881	43,142	-
23	Total Revenue Requirement	18,912,952	3,535,411	869,091	1,540,282	3,451,552	2,843,055	811,070	775,560	1,372,806	458,511	507,038	239,019	350,925	126,647	1,573,000	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.1E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	Description	18	19	20
			Revenue Related		
			Municipal Tax	PUB Assessment	
					Basis of Functional Classification
		Expenses			
1		Operating & Maintenance	438,155	23,668	Carryforward from Sch.2.4 L.24
2		Fuels	-	-	
3		Fuels-Diesel	-	-	Production - Demand
4		Fuels-Gas Turbine	-	-	Production - Demand
5		Power Purchases -CF(L)Co	-	-	Carryforward from Sch.4.4 L.9
6		Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.10
7		Depreciation	-	-	Carryforward from Sch.2.5 L.24
		Expense Credits			
8		Sundry	(2,188)	(118)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9		Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.18
10		Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11		Suppliers' Discounts	(503)	(27)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12		Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13		Secondary Energy Revenues	-	-	Production - Energy
14		Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15		Application Fees	-	-	Accounting - Customer
16		Meter Test Revenues	-	-	Meters - Customer
17		Total Expense Credits	(2,691)	(145)	
18		Subtotal Expenses	435,463	23,522	
19		Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.24
20		Subtotal Revenue Requirement Ex. Return	435,463	23,522	
21		Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22		Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23		Total Revenue Requirement	435,463	23,522	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2E
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Gas Turbines	22,808,080	22,808,080	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	3,323,334	3,323,334	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	26,131,414	26,131,414	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Lines	17,100,852	-	-	17,100,852	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,004,026	-	-	6,397,045	11,606,981	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	35,104,878	-	-	23,497,897	11,606,981	-	-	-	-	-	-	-	-	-	-	
Distribution																	
7	Substations	5,984,189	-	-	-	5,984,189	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	1,076,284	-	-	-	-	811,465	103,377	-	-	94,121	67,322	-	-	-	-	
9	Poles	29,757,209	-	-	-	-	17,210,022	5,881,572	-	-	3,046,186	3,619,429	-	-	-	-	
10	Primary Conductor & Eqpt	6,285,174	-	-	-	-	5,574,949	710,225	-	-	-	-	-	-	-	-	
11	Submarine Conductor	620,108	-	-	-	-	620,108	-	-	-	-	-	-	-	-	-	
12	Transformers	14,060,423	-	-	-	-	-	-	5,075,813	8,984,610	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	957,432	-	-	-	-	-	-	-	-	558,183	399,249	-	-	-	-	
14	Services	1,824,154	-	-	-	-	-	-	-	-	-	-	1,824,154	-	-	-	
15	Meters	1,943,798	-	-	-	-	-	-	-	-	-	-	-	1,943,798	-	-	
16	Street Lighting	813,762	-	-	-	-	-	-	-	-	-	-	-	-	813,762	-	
17	Subtotal Distribution	63,322,532	-	-	-	5,984,189	24,216,544	6,695,174	5,075,813	8,984,610	3,698,490	4,085,999	1,824,154	1,943,798	813,762	-	
18	Subttl Prod, Trans, & Dist	124,558,825	26,131,414	-	23,497,897	17,591,169	24,216,544	6,695,174	5,075,813	8,984,610	3,698,490	4,085,999	1,824,154	1,943,798	813,762	-	
19	General	14,053,707	2,008,013	-	713,280	1,215,529	2,634,684	728,414	552,232	977,497	402,384	444,544	198,462	336,853	88,535	3,753,279	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	1,916	-	-	-	1,916	-	-	-	-	-	-	-	-	-	-	
22	Software - General	286,184	60,039	-	53,988	40,417	55,640	15,383	11,662	20,643	8,498	9,388	4,191	4,466	1,870	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Plant	138,900,632	28,199,467	-	24,265,166	18,849,032	26,906,868	7,438,970	5,639,707	9,982,751	4,109,371	4,539,931	2,026,808	2,285,116	904,166	3,753,279	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.2E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Labrador Interconnected
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1	18	Description	Basis of Functional Classification
	Production			
1			Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.9
2			Diesel	Production - Demand, Energy ratios Sch.4.1 L.9
3			Subtotal Production	
	Transmission			
4			Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
5			Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
6			Subtotal Transmission	
	Distribution			
7			Substations	Production - Demand; Dist Substns - Demand
8			Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
9			Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
10			Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
11			Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
12			Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
13			Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
14			Services	Services Customer
15			Meters	Meters - Customer
16			Street Lighting	Street Lighting - Customer
17			Subtotal Distribution	
18			Subttl Prod, Trans, & Dist	
19			General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch2.4 L.11, 12
20			Telecontrol - Specific	Specifically Assigned - Customer
21			Feasibility Studies	Production, Transmission - Demand
22			Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.18
23			Software - Cust Acctng	
24			Total Plant	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.3E
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		6 Substations Demand (\$)	10 Distribution								16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
				5 Transmission Demand (\$)	4 Transmission Energy (\$)		7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services	13 Meters			14 Street Lighting
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)		
Production																	
1	Gas Turbines	5,707,756	5,707,756	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	601,634	601,634	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	6,309,390	6,309,390	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Lines	6,754,553	-	-	6,754,553	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	17,394,778	-	-	1,924,688	15,470,089	-	-	-	-	-	-	-	-	-	-	-
6	Subtotal Transmission	24,149,330	-	-	8,679,241	15,470,089	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
7	Substations	1,268,838	-	-	-	1,268,838	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	486,547	-	-	-	-	366,832	46,733	-	-	42,549	30,433	-	-	-	-	-
9	Poles	20,417,492	-	-	-	-	11,808,416	4,035,558	-	-	2,090,098	2,483,420	-	-	-	-	-
10	Primary Conductor & Eqpt	2,056,941	-	-	-	-	1,824,506	232,434	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	331,377	-	-	-	-	331,377	-	-	-	-	-	-	-	-	-	-
12	Transformers	10,497,807	-	-	-	-	-	-	3,789,708	6,708,099	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	679,220	-	-	-	-	-	-	-	-	395,985	283,235	-	-	-	-	-
14	Services	1,368,129	-	-	-	-	-	-	-	-	-	-	1,368,129	-	-	-	-
15	Meters	1,139,891	-	-	-	-	-	-	-	-	-	-	-	1,139,891	-	-	-
16	Street Lighting	449,406	-	-	-	-	-	-	-	-	-	-	-	-	-	449,406	-
17	Subtotal Distribution	38,695,647	-	-	-	1,268,838	14,331,131	4,314,725	3,789,708	6,708,099	2,528,632	2,797,089	1,368,129	1,139,891	449,406	-	-
18	Subttl Prod, Trans, & Dist	69,154,367	6,309,390	-	8,679,241	16,738,927	14,331,131	4,314,725	3,789,708	6,708,099	2,528,632	2,797,089	1,368,129	1,139,891	449,406	-	-
19	General	7,380,577	1,054,547	-	374,593	638,359	1,383,655	382,541	290,016	513,352	211,320	233,461	104,226	176,905	46,496	1,971,107	-
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	1,916	-	-	-	1,916	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	253,100	23,092	-	31,765	61,263	52,451	15,792	13,870	24,551	9,255	10,237	5,007	4,172	1,645	-	-
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Net Book Value	76,789,959	7,387,029	-	9,085,600	17,440,465	15,767,238	4,713,057	4,093,594	7,246,001	2,749,206	3,040,787	1,477,362	1,320,967	497,547	1,971,107	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4E
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Gas Turbine / Diesel	502,030	502,030	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	55,452	55,452	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	557,482	557,482	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	45,460	-	-	45,460	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	173,390	-	-	61,607	111,782	-	-	-	-	-	-	-	-	-	-	
6	Other	135,890	-	-	90,960	44,930	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	354,740	-	-	198,027	156,713	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	1,853,952	-	-	-	180,753	731,464	202,229	153,316	271,381	111,713	123,418	55,099	-	24,580	-	
9	Meters	93,520	-	-	-	-	-	-	-	-	-	-	-	93,520	-	-	
10	Subtotal Distribution	1,947,472	-	-	-	180,753	731,464	202,229	153,316	271,381	111,713	123,418	55,099	93,520	24,580	-	
11	Subttl Prod, Trans, & Dist	2,859,694	557,482	-	198,027	337,466	731,464	202,229	153,316	271,381	111,713	123,418	55,099	93,520	24,580	-	
12	Customer Accounting	1,042,018	-	-	-	-	-	-	-	-	-	-	-	-	-	1,042,018	
Administrative & General:																	
Plant-Related:																	
13	Production	158,537	158,537	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Transmission	206,740	-	-	138,384	68,356	-	-	-	-	-	-	-	-	-	-	
15	Distribution	466,318	-	-	-	44,069	178,335	49,304	37,379	66,164	27,236	30,090	13,433	14,314	5,993	-	
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Prod, Trans, Distn & General Plt	580,725	117,898	-	101,449	78,805	112,494	31,101	23,579	41,737	17,181	18,981	8,474	9,554	3,780	15,692	
18	Property Insurance	112,290	49,238	-	12,442	32,908	4,610	1,275	966	1,710	704	778	347	589	155	6,567	
Revenue-Related:																	
19	Municipal Tax	438,155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	PUB Assessment	23,668	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	All Expense-Related	917,771	131,132	-	46,580	79,380	172,057	47,569	36,063	63,835	26,278	29,031	12,960	21,998	5,782	245,106	
22	Prod,Trans & Distn Expense-Related	64,553	12,584	-	4,470	7,618	16,512	4,565	3,461	6,126	2,522	2,786	1,244	2,111	555	-	
23	Subtotal Admin & General	2,968,757	469,390	-	303,325	311,135	484,008	133,814	101,448	179,572	73,920	81,665	36,459	48,567	16,264	267,366	
24	Total Operating & Maintenance Expenses	6,870,468	1,026,872	-	501,352	648,601	1,215,471	336,043	254,764	450,954	185,634	205,084	91,558	142,087	40,844	1,309,383	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.4E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18	19	
		Municipal Tax	PUB Assessment	
				20
Production				
1	Gas Turbine / Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	<u>-</u>	<u>-</u>	
Transmission				
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.6
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
Distribution				
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 17, less L. 15
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
Administrative & General:				
Plant-Related:				
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.3
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L. 6
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18
17	Prod, Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 20
Revenue-Related:				
19	Municipal Tax	438,155	-	Revenue-related
20	PUB Assessment	-	23,668	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod,Trans & Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>438,155</u>	<u>23,668</u>	
24	Total Operating & Maintenance Expenses	<u>438,155</u>	<u>23,668</u>	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.5E

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected

Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Gas Turbines	257,793	257,793	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	21,377	21,377	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	279,170	279,170	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Lines	245,102	-	-	245,102	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	610,083	-	-	41,866	568,217	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	855,185	-	-	286,968	568,217	-	-	-	-	-	-	-	-	-	-	
Distribution																	
7	Substations	98,218	-	-	-	98,218	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	14,777	-	-	-	-	11,141	1,419	-	-	1,292	924	-	-	-	-	
9	Poles	570,035	-	-	-	-	329,679	112,669	-	-	58,353	69,335	-	-	-	-	
10	Primary Conductor & Eqpt	76,342	-	-	-	-	67,715	8,627	-	-	-	-	-	-	-	-	
11	Submarine Conductor	13,618	-	-	-	-	13,618	-	-	-	-	-	-	-	-	-	
12	Transformers	491,644	-	-	-	-	-	-	177,484	314,161	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	9,912	-	-	-	-	-	-	-	-	5,778	4,133	-	-	-	-	
14	Services	24,368	-	-	-	-	-	-	-	-	-	-	24,368	-	-	-	
15	Meters	92,907	-	-	-	-	-	-	-	-	-	-	-	92,907	-	-	
16	Street Lighting	42,827	-	-	-	-	-	-	-	-	-	-	-	-	42,827	-	
17	Subtotal Distribution	1,434,647	-	-	-	98,218	422,153	122,715	177,484	314,161	65,424	74,392	24,368	92,907	42,827	-	
18	Subttl Prod, Trans, & Dist	2,569,002	279,170	-	286,968	666,434	422,153	122,715	177,484	314,161	65,424	74,392	24,368	92,907	42,827	-	
19	General	476,666	68,107	-	24,193	41,228	89,362	24,706	18,730	33,154	13,648	15,078	6,731	11,425	3,003	127,302	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	3,832	-	-	-	3,832	-	-	-	-	-	-	-	-	-	-	
22	Software - General	50,071	5,441	-	5,593	12,989	8,228	2,392	3,459	6,123	1,275	1,450	475	1,811	835	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Depreciation Expense	3,099,571	352,718	-	316,754	724,483	519,743	149,812	199,673	353,438	80,347	90,920	31,574	106,143	46,664	127,302	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6E

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer Demand (\$)	11 Customer Demand (\$)	12 Services Customer (\$)		
1	Average Net Book Value	76,789,959	7,387,029	-	9,085,600	17,440,465	15,767,238	4,713,057	4,093,594	7,246,001	2,749,206	3,040,787	1,477,362	1,320,967	497,547	1,971,107	-
2	Cash Working Capital	490,932	47,227	-	58,086	111,500	100,803	30,131	26,171	46,325	17,576	19,440	9,445	8,445	3,181	12,602	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	43,114	43,114	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	163,029	163,029	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	1,507,043	305,958	-	263,272	204,508	291,934	80,711	61,190	108,311	44,586	49,257	21,990	24,793	9,810	40,722	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	4,735,969	455,590	-	560,348	1,075,629	972,434	290,675	252,470	446,892	169,555	187,538	91,115	81,470	30,686	121,567	-
8	Total Rate Base	83,730,047	8,401,948	-	9,967,306	18,832,102	17,132,408	5,114,575	4,433,424	7,847,530	2,980,923	3,297,023	1,599,913	1,435,675	541,223	2,145,998	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	83,730,047	8,401,948	-	9,967,306	18,832,102	17,132,408	5,114,575	4,433,424	7,847,530	2,980,923	3,297,023	1,599,913	1,435,675	541,223	2,145,998	-
11	Return on Debt	4,268,344	428,310	-	508,108	960,012	873,366	260,728	226,005	400,047	151,960	168,074	81,559	73,187	27,590	109,397	-
12	Return on Equity	1,683,272	168,909	-	200,378	378,592	344,422	102,821	89,128	157,763	59,927	66,282	32,164	28,862	10,881	43,142	-
13	Return on Rate Base	5,951,616	597,219	-	708,486	1,338,605	1,217,789	363,549	315,132	557,810	211,887	234,356	113,723	102,049	38,471	152,540	-

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 2.6E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2014 Test Year Cost of Service for 2014 Revenue Deficiency
 Labrador Interconnected
 Functional Classification of Rate Base (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
1	Average Net Book Value	Sch. 2.3 , L. 24
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Demand
5	Fuel Inventory - Gas Turbine	Production - Demand
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 24
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1E
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand	4 Production and Transmission Energy	5 Transmission Demand	6-15 Distribution											16 Accounting Customer	17 Specifically Assigned Customer
						6 Substations Demand	7 Primary Lines		8 Line Transformers		9 Secondary Lines		12 Services Customer	13 Meters Customer	14 Street Lighting Customer	15 Accounting Customer		
							Demand	Customer	Demand	Customer	Demand	Customer						
Amounts			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wtd Rural Cust)		(Rural Cust)			
1	CFB - Goose Bay Secondary	-	-	9,511	-	-	-	-	-	-	-	-	-	-	-	-		
2	IOCC Firm	-	86,252	152,395	76,600	-	-	1	-	-	-	-	-	-	-	-		
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																		
4	1.1Domestic	-	634	2,975	563	551	551	388	534	388	534	388	388	388	-	388	-	
5	1.1A Domestic All Electric	-	87,885	381,537	78,051	76,462	76,462	9,094	74,031	9,094	74,031	9,094	9,094	9,094	-	9,094	-	
6	2.1GS 0-10 kW	-	1,284	8,188	1,140	1,117	1,117	493	1,082	493	1,082	493	925	925	-	493	-	
7	2.2GS 10-100 kW	-	16,616	89,980	14,757	14,456	14,456	692	13,916	692	13,916	692	3,301	3,301	-	692	-	
8	2.3GS 110-1,000 kVa	-	30,905	149,584	27,447	26,888	26,888	160	25,604	160	25,604	160	1,345	1,345	-	160	-	
9	2.4GS Over 1,000 kVa	-	21,608	89,153	19,190	18,799	18,799	6	8,259	6	8,259	6	46	46	-	6	-	
10	4.1Street and Area Lighting	-	506	2,076	449	440	440	378	426	378	426	378	-	-	1	378	-	
11	Subtotal Rural		159,438	723,494	141,597	138,715	138,715	11,209	123,851	11,209	123,851	11,209	15,098	15,098	1	11,209	-	
12	Total Labrador Interconnected		245,689	885,400	218,197	138,715	138,715	11,210	123,851	11,209	123,851	11,209	15,098	15,098	1	11,209	-	
Ratios																		
13	CFB - Goose Bay Boiler	-	-	0.0107	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	IOCC Firm	-	0.3511	0.1721	0.3511	-	-	0.0001	-	-	-	-	-	-	-	-	-	
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
16	1.1Domestic	-	0.0026	0.0034	0.0026	0.0040	0.0040	0.0346	0.0043	0.0346	0.0043	0.0346	0.0257	0.0257	-	0.0346	-	
17	1.1A Domestic All Electric	-	0.3577	0.4309	0.3577	0.5512	0.5512	0.8112	0.5977	0.8113	0.5977	0.8113	0.6023	0.6023	-	0.8113	-	
18	2.1GS 0-10 kW	-	0.0052	0.0092	0.0052	0.0081	0.0081	0.0439	0.0087	0.0439	0.0087	0.0439	0.0612	0.0612	-	0.0439	-	
19	2.2GS 10-100 kW	-	0.0676	0.1016	0.0676	0.1042	0.1042	0.0617	0.1124	0.0617	0.1124	0.0617	0.2186	0.2186	-	0.0617	-	
20	2.3GS 110-1,000 kVa	-	0.1258	0.1689	0.1258	0.1938	0.1938	0.0143	0.2067	0.0143	0.2067	0.0143	0.0891	0.0891	-	0.0143	-	
21	2.4GS Over 1,000 kVa	-	0.0879	0.1007	0.0879	0.1355	0.1355	0.0005	0.0667	0.0005	0.0667	0.0005	0.0031	0.0031	-	0.0005	-	
22	4.1Street and Area Lighting	-	0.0021	0.0023	0.0021	0.0032	0.0032	0.0337	0.0034	0.0337	0.0034	0.0337	-	-	1.0000	0.0337	-	
23	Subtotal Rural		0.6489	0.8171	0.6489	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	
24	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	
Ratios Excluding IOCC																		
25	CFB - Goose Bay Boiler	-	-	0.0130	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
26	1.1Domestic	-	0.0040	0.0041	0.0040	0.0040	0.0040	0.0346	0.0043	0.0346	0.0043	0.0346	0.0257	0.0257	-	0.0346	-	
27	1.1A Domestic All Electric	-	0.5512	0.5205	0.5512	0.5512	0.5512	0.8113	0.5977	0.8113	0.5977	0.8113	0.6023	0.6023	-	0.8113	-	
28	2.1GS 0-10 kW	-	0.0081	0.0112	0.0081	0.0081	0.0081	0.0439	0.0087	0.0439	0.0087	0.0439	0.0612	0.0612	-	0.0439	-	
29	2.2GS 10-100 kW	-	0.1042	0.1228	0.1042	0.1042	0.1042	0.0617	0.1124	0.0617	0.1124	0.0617	0.2186	0.2186	-	0.0617	-	
30	2.3GS 110-1,000 kVa	-	0.1938	0.2041	0.1938	0.1938	0.1938	0.0143	0.2067	0.0143	0.2067	0.0143	0.0891	0.0891	-	0.0143	-	
31	2.4GS Over 1,000 kVa	-	0.1355	0.1216	0.1355	0.1355	0.1355	0.0005	0.0667	0.0005	0.0667	0.0005	0.0031	0.0031	-	0.0005	-	
32	4.1Street and Area Lighting	-	0.0032	0.0028	0.0032	0.0032	0.0032	0.0337	0.0034	0.0337	0.0034	0.0337	-	-	1.0000	0.0337	-	
33	Subtotal Rural		1.0000	0.9870	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	
34	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.1E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		18	19
		Revenue Related	
	Municipal	PUB	
	Tax	Assessment	
	(Prior Year	(Prior Year	
	(Rural Revenues)	(Revenues + RSP)	
	Amounts		
1	CFB - Goose Bay Secondary	-	333,112
2	IOCC Firm	-	-
3	IOCC Non-Firm	-	-
	Rural		
4	1.1Domestic	102,994	102,994
5	1.1A Domestic All Electric	10,056,863	10,056,863
6	2.1GS 0-10 kW	398,087	398,087
7	2.2GS 10-100 kW	2,191,392	2,191,392
8	2.3GS 110-1,000 kVa	2,999,815	2,999,815
9	2.4GS Over 1,000 kVa	1,974,167	1,104,411
10	4.1Street and Area Lighting	292,637	292,637
11	Subtotal Rural	18,015,954	17,146,198
12	Total Labrador Interconnected	18,015,954	17,479,310
	Ratios		
13	CFB - Goose Bay Boiler	-	0.0191
14	IOCC Firm	-	-
15	IOCC Non-Firm	-	-
	Rural		
16	1.1Domestic	0.0057	0.0059
17	1.1A Domestic All Electric	0.5582	0.5754
18	2.1GS 0-10 kW	0.0221	0.0228
19	2.2GS 10-100 kW	0.1216	0.1254
20	2.3GS 110-1,000 kVa	0.1665	0.1716
21	2.4GS Over 1,000 kVa	0.1096	0.0632
22	4.1Street and Area Lighting	0.0162	0.0167
23	Subtotal Rural	1.0000	0.9809
24	Total Labrador Interconnected	1.0000	1.0000
	Ratios Excluding IOCC		
25	CFB - Goose Bay Boiler	-	0.0191
	Rural		
26	1.1Domestic	0.0057	0.0059
27	1.1A Domestic All Electric	0.5582	0.5754
28	2.1GS 0-10 kW	0.0221	0.0228
29	2.2GS 10-100 kW	0.1216	0.1254
30	2.3GS 110-1,000 kVa	0.1665	0.1716
31	2.4GS Over 1,000 kVa	0.1096	0.0632
32	4.1Street and Area Lighting	0.0162	0.0167
33	Subtotal Rural	1.0000	0.9809
34	Total Labrador Interconnected	1.0000	1.0000

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO																			
2014 Test Year Cost of Service for 2014 Revenue Deficiency																			
Labrador Interconnected																			
Allocation of Functionalized Amounts to Classes of Service																			
Line No.	Description	Total Amount (\$)	Production Demand (\$)	Transmission Energy (\$)	Transmission Demand (\$)	Distribution												Accounting (\$)	Specifically Assigned Customer (\$)
						Substations		Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting			
						Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)			
1	CFB - Goose Bay Boiler	9,784	-	9,336	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	IOCC Firm	1,473,118	1,031,480	149,588	292,010	-	-	40	-	-	-	-	-	-	-	-	-		
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural:																			
4	1.1Domestic	144,955	7,577	2,920	2,145	8,396	6,459	15,470	1,984	28,175	1,063	9,427	3,216	6,388	-	49,107	-		
5	1.1A Domestic All Electric	7,086,118	1,051,019	374,510	297,541	1,164,700	895,880	363,035	275,217	661,194	147,418	221,223	75,466	149,898	-	1,152,399	-		
6	2.1GS 0-10 kW	226,956	15,354	8,037	4,347	17,015	13,088	19,662	4,021	35,810	2,154	11,981	7,674	15,242	-	62,413	-		
7	2.2GS 10-100 kW	1,132,515	198,711	88,323	56,255	220,204	169,379	27,626	51,736	50,316	27,712	16,835	27,394	54,413	-	87,696	-		
8	2.3GS 110-1,000 kVa	1,643,840	369,595	146,829	104,632	409,572	315,040	6,378	95,185	11,616	50,985	3,886	11,162	22,171	-	20,245	-		
9	2.4GS Over 1,000 kVa	1,024,646	258,408	87,511	73,155	286,358	220,265	220	30,702	400	16,445	134	384	763	-	697	-		
10	4.1Street and Area Lighting	219,405	6,048	2,038	1,712	6,702	5,155	15,091	1,584	27,485	848	9,196	-	-	88,176	47,903	-		
11	Subtotal Rural	11,478,435	1,906,712	710,167	539,786	2,112,948	1,625,266	447,481	460,428	814,996	246,624	272,683	125,296	248,875	88,176	1,420,461	-		
12	Total	12,961,337	2,938,192	869,091	831,796	2,112,948	1,625,266	447,521	460,428	814,996	246,624	272,683	125,296	248,875	88,176	1,420,461	-		
Allocated Return on Debt																			
13	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
14	IOCC Firm	328,761	150,362	-	178,376	-	-	23	-	-	-	-	-	-	-	-	-		
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural:																			
16	1.1Domestic	47,736	1,105	-	1,310	3,815	3,471	9,013	974	13,830	655	5,811	2,093	1,878	-	3,782	-		
17	1.1A Domestic All Electric	2,425,858	153,210	-	181,755	529,179	481,417	211,506	135,092	324,552	90,833	136,356	49,123	44,081	-	88,753	-		
18	2.1GS 0-10 kW	73,660	2,238	-	2,655	7,731	7,033	11,455	1,974	17,578	1,327	7,385	4,995	4,482	-	4,807	-		
19	2.2GS 10-100 kW	388,624	28,967	-	34,363	100,049	91,019	16,095	25,395	24,698	17,075	10,376	17,832	16,001	-	6,754	-		
20	2.3GS 110-1,000 kVa	578,467	53,877	-	63,915	186,088	169,292	3,716	46,722	5,702	31,415	2,395	7,266	6,520	-	1,559	-		
21	2.4GS Over 1,000 kVa	356,964	37,669	-	44,687	130,106	118,363	128	15,070	196	10,133	82	250	224	-	54	-		
22	4.1Street and Area Lighting	68,273	882	-	1,046	3,045	2,770	8,792	777	13,491	523	5,668	-	-	27,590	3,689	-		
23	Subtotal Rural	3,939,582	277,948	-	329,732	960,012	873,366	260,705	226,005	400,047	151,960	168,074	81,559	73,187	27,590	109,397	-		
24	Total	4,268,344	428,310	-	508,108	960,012	873,366	260,728	226,005	400,047	151,960	168,074	81,559	73,187	27,590	109,397	-		
Allocated Return on Equity																			
25	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	IOCC Firm	129,651	59,297	-	70,345	-	-	9	-	-	-	-	-	-	-	-	-		
27	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural:																			
28	1.1Domestic	18,825	436	-	517	1,504	1,369	3,554	384	5,454	258	2,291	826	741	-	1,491	-		
29	1.1A Domestic All Electric	956,666	60,420	-	71,677	208,688	189,853	83,410	53,275	127,991	35,821	53,774	19,372	17,384	-	35,001	-		
30	2.1GS 0-10 kW	29,049	883	-	1,047	3,049	2,774	4,517	778	6,932	523	2,912	1,970	1,768	-	1,896	-		
31	2.2GS 10-100 kW	153,259	11,423	-	13,552	39,456	35,894	6,347	10,015	9,740	6,734	4,092	7,032	6,310	-	2,663	-		
32	2.3GS 110-1,000 kVa	228,125	21,247	-	25,206	73,386	66,762	1,465	18,426	2,248	12,389	945	2,865	2,571	-	615	-		
33	2.4GS Over 1,000 kVa	140,773	14,855	-	17,623	51,309	46,678	50	5,943	77	3,996	33	99	89	-	21	-		
34	4.1Street and Area Lighting	26,924	348	-	412	1,201	1,092	3,467	307	5,320	206	2,235	-	-	10,881	1,455	-		
35	Subtotal Rural	1,553,621	109,612	-	130,034	378,592	344,422	102,812	89,128	157,763	59,927	66,282	32,164	28,862	10,881	43,142	-		
36	Total	1,683,272	168,909	-	200,378	378,592	344,422	102,821	89,128	157,763	59,927	66,282	32,164	28,862	10,881	43,142	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2E
Page 2 of 4

NEWFOUNDLAND AND LABRADOR HYDRO					
2014 Test Year Cost of Service for 2014 Revenue Deficiency					
Labrador Interconnected					
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)					
		18	19		
		Revenue Related			
Line No.	Description	Municipal Tax (\$)	PUB Assessment (\$)	Basis of Proration	
	Allocated Rev Reqmt Excl Return				
1	CFB - Goose Bay Boiler	-	448		
2	IOCC Firm	-	-		
3	IOCC Non-Firm	-	-		
	Rural:				
4	1.1Domestic	2,489	139		
5	1.1A Domestic All Electric	243,084	13,534		
6	2.1GS 0-10 kW	9,622	536		
7	2.2GS 10-100 kW	52,968	2,949		
8	2.3GS 110-1,000 kVa	72,508	4,037		
9	2.4GS Over 1,000 kVa	47,718	1,486		
10	4.1Street and Area Lighting	7,073	394		
11	Subtotal Rural	435,463	23,074		
12	Total	435,463	23,522		
	Allocated Return on Debt				
13	CFB - Goose Bay Boiler	-	-		
14	IOCC Firm	-	-		
15	IOCC Non-Firm	-	-		
	Rural:				
16	1.1Domestic	-	-		
17	1.1A Domestic All Electric	-	-		
18	2.1GS 0-10 kW	-	-		
19	2.2GS 10-100 kW	-	-		
20	2.3GS 110-1,000 kVa	-	-		
21	2.4GS Over 1,000 kVa	-	-		
22	4.1Street and Area Lighting	-	-		
23	Subtotal Rural	-	-		
24	Total	-	-		
	Allocated Return on Equity				
25	CFB - Goose Bay Boiler	-	-		
26	IOCC Firm	-	-		
27	IOCC Non-Firm	-	-		
	Rural:				
28	1.1Domestic	-	-		
29	1.1A Domestic All Electric	-	-		
30	2.1GS 0-10 kW	-	-		
31	2.2GS 10-100 kW	-	-		
32	2.3GS 110-1,000 kVa	-	-		
33	2.4GS Over 1,000 kVa	-	-		
34	4.1Street and Area Lighting	-	-		
35	Subtotal Rural	-	-		
36	Total	-	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2E
Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											16 Accounting (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)		7 Primary Lines Customer (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Customer (\$)		11 Services (\$)	12 Meters (\$)	13 Street Lighting (\$)		
						8	7	9	10	11	12	13	14	15				
37	CFB - Goose Bay Boiler	9,784	-	9,336	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	IOCC Firm	1,931,530	1,241,139	149,588	540,731	-	-	72	-	-	-	-	-	-	-	-	-	
39	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
40	1.1Domestic	211,516	9,117	2,920	3,972	13,716	11,298	28,037	3,342	47,460	1,976	17,529	6,135	9,007	-	54,381	-	
41	1.1A Domestic All Electric	10,468,641	1,264,650	374,510	550,973	1,902,566	1,567,150	657,951	463,584	1,113,738	274,071	411,353	143,962	211,363	-	1,276,153	-	
42	2.1GS 0-10 kW	329,665	18,475	8,037	8,049	27,795	22,895	35,634	6,773	60,320	4,004	22,279	14,639	21,492	-	69,116	-	
43	2.2GS 10-100 kW	1,674,398	239,101	88,323	104,170	359,708	296,293	50,069	87,145	84,754	51,520	31,303	52,258	76,724	-	97,113	-	
44	2.3GS 110-1,000 kVa	2,450,432	444,719	146,829	193,752	669,045	551,095	11,559	160,333	19,566	94,789	7,226	21,293	31,262	-	22,419	-	
45	2.4GS Over 1,000 kVa	1,522,383	310,933	87,511	135,465	467,774	385,307	398	51,715	674	30,574	249	733	1,076	-	772	-	
46	4.1Street and Area Lighting	314,603	7,277	2,038	3,170	10,948	9,018	27,350	2,668	46,296	1,577	17,099	-	-	126,647	53,047	-	
47	Subtotal Rural	16,971,638	2,294,272	710,167	999,552	3,451,552	2,843,055	810,997	775,560	1,372,806	458,511	507,038	239,019	350,925	126,647	1,573,000	-	
48	Total	18,912,952	3,535,411	869,091	1,540,282	3,451,552	2,843,055	811,070	775,560	1,372,806	458,511	507,038	239,019	350,925	126,647	1,573,000	-	
	Re-classification of Revenue-Related																	
49	CFB - Goose Bay Boiler	-	-	448	-	-	-	-	-	-	-	-	-	-	-	-	-	
50	IOCC Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
51	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
52	1.1Domestic	(0)	115	37	50	173	142	353	42	597	25	221	77	113	-	684	-	
53	1.1A Domestic All Electric	0	31,779	9,411	13,845	47,810	39,381	16,534	11,649	27,987	6,887	10,337	3,618	5,311	-	32,068	-	
54	2.1GS 0-10 kW	0	587	256	256	884	728	1,133	215	1,918	127	708	465	683	-	2,197	-	
55	2.2GS 10-100 kW	(0)	8,261	3,051	3,599	12,428	10,237	1,730	3,011	2,928	1,780	1,082	1,805	2,651	-	3,355	-	
56	2.3GS 110-1,000 kVa	0	14,340	4,734	6,247	21,573	17,770	373	5,170	6,31	3,056	233	687	1,008	-	723	-	
57	2.4GS Over 1,000 kVa	-	10,385	2,923	4,524	15,624	12,869	13	1,727	22	1,021	8	24	36	-	26	-	
58	4.1Street and Area Lighting	0	177	50	77	266	219	665	65	1,126	38	416	-	-	3,079	1,290	-	
59	Subtotal Rural	(0)	65,644	20,462	28,599	98,756	81,346	20,800	21,880	35,209	12,935	13,004	6,677	9,803	3,079	40,344	-	
60	Total	0	65,644	20,910	28,599	98,756	81,346	20,800	21,880	35,209	12,935	13,004	6,677	9,803	3,079	40,344	-	
	Total Allocated Revenue Requirement																	
61	CFB - Goose Bay Boiler	9,784	-	9,784	-	-	-	-	-	-	-	-	-	-	-	-	-	
62	IOCC Firm	1,931,530	1,241,139	149,588	540,731	-	-	72	-	-	-	-	-	-	-	-	-	
63	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
64	1.1Domestic	211,516	9,232	2,957	4,022	13,888	11,440	28,390	3,384	48,057	2,001	17,749	6,212	9,120	-	55,065	-	
65	1.1A Domestic All Electric	10,468,641	1,296,429	383,921	564,819	1,950,376	1,606,531	674,484	475,234	1,141,725	280,958	421,690	147,580	216,674	-	1,308,221	-	
66	2.1GS 0-10 kW	329,665	19,063	8,293	8,305	28,678	23,622	36,767	6,988	62,237	4,131	22,987	15,104	22,175	-	71,313	-	
67	2.2GS 10-100 kW	1,674,398	247,361	91,374	107,769	372,136	306,530	51,799	90,156	87,682	53,300	32,385	54,063	79,375	-	100,468	-	
68	2.3GS 110-1,000 kVa	2,450,432	459,059	151,563	200,000	690,618	568,865	11,931	165,503	20,196	97,845	7,459	21,980	32,270	-	23,142	-	
69	2.4GS Over 1,000 kVa	1,522,383	321,318	90,433	139,989	483,397	398,176	411	53,442	696	31,595	257	758	1,112	-	798	-	
70	4.1Street and Area Lighting	314,603	7,454	2,088	3,248	11,214	9,237	28,015	2,732	47,422	1,615	17,515	-	-	129,726	54,337	-	
71	Subtotal Rural	16,971,638	2,359,916	730,629	1,028,151	3,550,309	2,924,401	831,797	797,440	1,408,015	471,447	520,042	245,696	360,727	129,726	1,613,344	-	
72	Total	18,912,952	3,601,055	890,001	1,568,881	3,550,309	2,924,401	831,870	797,440	1,408,015	471,447	520,042	245,696	360,727	129,726	1,613,344	-	

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 3.2E
Page 4 of 4

NEWFOUNDLAND AND LABRADOR HYDRO					
2014 Test Year Cost of Service for 2014 Revenue Deficiency					
Labrador Interconnected					
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)					
		18	19		
		Revenue Related			
1	2	3	4	5	6
Line No.	Description	Municipal Tax (\$)	PUB Assessment (\$)	Basis of Proration	
	Total Revenue Requirement				
37	CFB - Goose Bay Boiler	-	448		
38	IOCC Firm	-	-		
39	IOCC Non-Firm	-	-		
	Rural:				
40	1.1Domestic	2,489	139		
41	1.1A Domestic All Electric	243,084	13,534		
42	2.1GS 0-10 kW	9,622	536		
43	2.2GS 10-100 kW	52,968	2,949		
44	2.3GS 110-1,000 kVa	72,508	4,037		
45	2.4GS Over 1,000 kVa	47,718	1,486		
46	4.1Street and Area Lighting	7,073	394		
47	Subtotal Rural	435,463	23,074		
48	Total	435,463	23,522		
	Re-classification of Revenue-Related				
49	CFB - Goose Bay Boiler	-	(448)	Re-classification to demand, energy and customer is based on rate class revenue	
50	IOCC Firm	-	-	requirements excluding revenue-related items.	
51	IOCC Non-Firm	-	-		
	Rural:				
52	1.1Domestic	(2,489)	(139)		
53	1.1A Domestic All Electric	(243,084)	(13,534)		
54	2.1GS 0-10 kW	(9,622)	(536)		
55	2.2GS 10-100 kW	(52,968)	(2,949)		
56	2.3GS 110-1,000 kVa	(72,508)	(4,037)		
57	2.4GS Over 1,000 kVa	(47,718)	(1,486)		
58	4.1Street and Area Lighting	(7,073)	(394)		
59	Subtotal Rural	(435,463)	(23,074)		
60	Total	(435,463)	(23,522)		
	Total Allocated Revenue Requirement				
61	CFB - Goose Bay Boiler	-	-		
62	IOCC Firm	-	-		
63	IOCC Non-Firm	-	-		
	Rural:				
64	1.1Domestic	-	-		
65	1.1A Domestic All Electric	-	-		
66	2.1GS 0-10 kW	-	-		
67	2.2GS 10-100 kW	-	-		
68	2.3GS 110-1,000 kVa	-	-		
69	2.4GS Over 1,000 kVa	-	-		
70	4.1Street and Area Lighting	-	-		
71	Subtotal Rural	-	-		
72	Total	-	-		

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

Schedule 4.1
Page 1 of 2

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Functionalization & Classification Ratios**

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-16 Distribution								17 Accounting Customer (%)	18 Assigned Customer (%)	
							7 Substations Demand (%)	8-9 Primary Lines Demand Customer (%)		10-11 Line Transformers Demand Customer (%)		12-13 Secondary Lines Demand Customer (%)		14 Services Customer (%)			15 Meters Customer (%)
Generation																	
1	Hydraulic	100%	46.41%	53.59%													
2	Hydraulic - GNP	100%	46.41%	53.59%		0.0%											
3	Holyrood	100%	76.11%	23.89%													
4	Gas Tur Island Intercnctd	100%	100.00%	0.00%													
5	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%											
6	Dsl / Gas Tur Island Isolated	100%	39.46%	60.54%													
7	Dsl / Gas Tur Labrador Isolated	100%	32.66%	67.34%													
8	Dsl / Gas Tur L'Anse au Loup	100%	100.00%	0.00%													
9	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%													
Fuel																	
10	No. 6 Fuel	100%	0.00%	100.00%													
11	Gas Tur Island Intercnctd	100%	100.00%	0.00%													
12	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%											
13	Dsl / Gas Tur Island / Lab Isolated	100%	0.00%	100.00%													
14	Dsl / Gas Tur L'Anse au Loup	100%	0.00%	100.00%													
15	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%													
Transmission Lines & Terminals																	
16	Lines	100%		0.00%	100%												
17	Lines - Hydraulic	100%	46.41%	53.59%													
18	Lines - Customer Specific	100%															100%
19	Terminal Stations	100%		0.00%	100%												
20	Term Stns - Hydraulic	100%	46.41%	53.59%													
21	Term Stns - Holyrood	100%	76.11%	23.89%													
22	Term Stns - Gas Tur	100%	100%														
23	Term Stns - Diesel GNP	100%	100.00%	0.00%		0.0%											
24	Terminal Stations - Distribution	100%					100%										
25	Term Stns - Custmr Specific	100%															100%
26	Rural Lines	100%				100.0%											
27	Rural Terminal Stations	100%				100.0%											

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Functionalization & Classification Ratios (CONT'D.)**

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-13 Distribution							14 Services Customer (%)	15 Meters Customer (%)	16 Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned Customer (%)	
							7 Substations Demand (%)		8-9 Primary Lines Demand Customer (%)		10-11 Line Transformers Demand Customer (%)		12-13 Secondary Lines Demand Customer (%)						
							7 Demand (%)	8 Customer (%)	9 Demand (%)	10 Customer (%)	11 Demand (%)	12 Customer (%)	13 Demand (%)						13 Customer (%)
	Distribution																		
28	Substation Structures & Equipment						100%												
29	Land & Land Improvements - by Sub-function:																		
30	Primary	85%						88.7%	11.3%										
31	Secondary	15%										58.3%	41.7%						
32	Land & Land Improvements	100%						75.4%	9.6%			8.7%	6.3%						
33	Poles - by Subfunction:																		
34	3 phase - Primary	41.2%						100.0%											
35	Other Primary	36.4%						45.7%	54.3%										
36	Secondary	22.4%										45.7%	54.3%						
37	Poles	100%						57.8%	19.8%			10.2%	12.2%						
38	Primary Condctr & Equip	100%						88.7%	11.3%										
39	Submarine Conductor	100%						100.0%											
40	Transformers	100%								36.1%	63.9%								
41	Secondary Condctr & Equip	100%										58.3%	41.7%						
42	Services	100%												100.0%					
43	Meters	100%													100.0%				
44	Street Lighting	100%														100.0%			
45	Customer Accounting	100%															100.0%		

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency

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)	7,115,000	8,297	45,400	26,084	885,400
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	812,215	947	5,183	2,978	101,073
4	Coincident Peak at Generation (kW)	1,515,590	1,564	7,696	5,669	245,689
5	System Load Factor	53.59%	60.54%	67.34%	52.52%	41.14%

NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Holyrood Capacity Factor

	1	2	3	4	5
Line No.	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
1	2010 Actual	803,070,465	466	8,760	19.67%
2	2011 Actual	885,313,869	466	8,760	21.69%
3	2012 Actual	855,826,207	466	8,784	20.93%
4	2013 Actual	957,442,307	466	8,760	23.48%
5	2014 Forecast	1,373,039,000	466	8,760	33.67%
6	5-Year Average	974,938,370	466	8,765	23.89%

Exhibit 10 - 2014 Test Year Cost of Service for 2014 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Power Purchases**

Line No.	1	2	3	4	5	6	7	
	Total	Production Demand	Production & Transmission Energy	Transmission Demand	Rural Transmission Demand	Distribution Demand		Basis of Functional Classification
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Island Interconnected:								
1	-							Production - Energy (Same as RSP Sec Load Var)
2	-							Production - Energy (Secondary)
3	695,808					695,808		Rural Transmission
4	6,126,000	6,126,000						Production - Demand
5	-							Production - Energy
6	41,209,004	19,124,828	22,084,176					Energy: System Load Factor
7	12,263,306		12,263,306					Production - Energy
8	60,294,118	25,250,828	34,347,483	-		695,808	-	
Labrador Interconnected:								
9	2,112,595	1,243,504	869,091					Energy: System Load Factor
10	711,659						711,659	
11	2,824,253	1,243,504	869,091	-		-	711,659	
Isolated Systems:								
12	-							Production - Energy
13	3,328,793		3,328,793					Production - Energy
14	220,742		220,742					Production - Energy
15	3,549,535	0	3,549,535	0		0	0	
16	66,667,906	26,494,331	38,766,108	-		695,808	711,659	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Revenue Requirement**

Line No.	Description	1 Total Amount (\$)	2 Island Interconnected (\$)	3 Island Isolated (\$)	4 Labrador Isolated (\$)	5 L'Anse au Loup (\$)	6 Labrador Interconnected (\$)	7 Basis of Proration	8
	Revenue Requirement								
	Expenses								
1	Operating, Maintenance and Admin.	131,710,670	100,111,681	5,577,529	13,182,478	1,541,011	11,297,972	Detailed Analysis	
2	Fuels - No. 6 Fuel	143,315,358	143,315,358	-	-	-	-	Detailed Analysis	
3	Fuels - Diesel	17,284,061	87,140	2,201,312	14,335,189	585,899	74,521	Detailed Analysis	
4	Fuels - Gas Turbine	3,672,993	3,473,690	-	-	-	199,303		
5	Fuel Supply Deferral	-	-	-	-	-	-		
6	Power Purchases -CF(L)Co	1,856,851	-	-	-	-	1,856,851	Detailed Analysis	
7	Power Purchases - Other	60,970,016	58,109,820	202,500	-	2,657,696	-	Detailed Analysis	
9	Depreciation	62,793,518	55,709,990	539,188	2,621,605	435,508	3,487,228	Detailed Analysis	
	Expense Credits:								
10	Sundry	(664,680)	(505,215)	(28,147)	(66,526)	(7,777)	(57,015)	Total O&M Expenses	
11	Building Rental Income	(17,472)	(17,472)	-	-	-	0	Detailed Analysis	
12	Tax Refunds	-	-	-	-	-	-	Total O&M Expenses	
13	Suppliers' Discounts	(103,548)	(78,706)	(4,385)	(10,364)	(1,212)	(8,882)	Total O&M Expenses	
14	Pole Attachments	(1,718,482)	(1,263,389)	(24,203)	(105,320)	(69,837)	(255,733)	Detailed Analysis	
15	Secondary Energy Revenues	-	-	-	-	-	-	Island Interconnected	
16	Wheeling Revenues	-	0	-	-	-	-	Island Interconnected	
17	Application Fees	(26,544)	(11,476)	(168)	(1,472)	(412)	(13,016)	Detailed Analysis	
18	Meter Test Revenues	(3,400)	(2,075)	(57)	(215)	(110)	(943)	Weighted Customers	
19	Total Expense Credits	(2,534,126)	(1,878,333)	(56,960)	(183,896)	(79,347)	(335,589)		
20	Subtotal Expenses	419,069,341	358,929,346	8,463,569	29,955,375	5,140,767	16,580,285		
21	Disposal Gain/Loss	4,074,381	3,555,647	133,059	273,138	70,800	41,737	Detailed Analysis	
22	Subtotal Rev Req Excl Return	423,143,722	362,484,993	8,596,628	30,228,513	5,211,567	16,622,022		
23	Return on Debt	83,148,927	75,000,125	602,881	2,700,040	517,734	4,328,147	Rate Base	
24	Return on Equity	32,181,631	29,027,751	233,336	1,045,013	200,382	1,675,149	Rate Base	
25	Total Revenue Requirement ⁽¹⁾	538,474,280	466,512,869	9,432,845	33,973,565	5,929,683	22,625,318		

⁽¹⁾ Reconciliation to the Revenue Requirement per Finance Schedules (\$millions):

Total Revenue Requirement per Cost of Service	538.5
Add Expense Credits	2.5
Less IOCC Cost Recovery	1.4
Total Revenue Requirement per Finance Schedules	539.6

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.1
Page 2 of 2

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Return on Rate Base**

Line No	1	2	3	4	5	6	7	8
	Total \$	Island Interconnected \$	Island Isolated \$	Labrador Isolated \$	Labrador Loup \$	L'Anse au Loup \$	Labrador Interconnected \$	Basis of Proration
Rate Base:								
1	Average Net Book Value	1,539,710,931	1,388,595,572	11,246,089	48,328,837	9,745,711	81,794,722	Schedule 2.3
2	Cash Working Capital	7,037,000	6,346,352	51,398	220,879	44,541	373,830	Prorated on Average Net Book Value - L. 1
3	Fuel Inventory - No. 6 Fuel	34,447,050	34,447,050	-	-	-	-	Specifically Assigned - Holyrood
4	Fuel Inventory - Diesel	3,518,344	186,223	165,549	3,084,574	44,283	37,715	Detailed Fuel Analysis
5	Fuel Inventory - Gas Turbine	4,198,498	3,992,487	-	-	-	206,011	Detailed Fuel Analysis
6	Inventory/Supplies	27,402,000	24,359,462	250,201	973,459	217,976	1,600,902	Prorated on Total Plant in Service, Schedule 2.2
7	Deferred Charges: Holyrood	-	-	-	-	-	-	Detailed Analysis
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	112,780,000	101,711,175	823,748	3,539,967	713,849	5,991,260	Prorated on Average Net Book Value - L. 1
9	Total Rate Base	1,729,093,823	1,559,638,321	12,536,987	56,147,716	10,766,360	90,004,439	
10	Less: Rural Portion	-	-	-	-	-	-	Schedule 2.6, L. 9
11	Rate Base Available for Equity Return	1,729,093,823	1,559,638,321	12,536,987	56,147,716	10,766,360	90,004,439	
Corporate Targets:								
12	Capital Structure: Percent of Debt	74.336% ⁽¹⁾						
13	Return	6.469%						
14	Weighted Average Return: Debt	4.809%						
15	Capital Structure: Percent of Equity	21.150% ⁽¹⁾						
16	Return	8.800%						
17	Weighted Average Return: Equity	1.861%						
18	Weighted Average Cost of Capital	6.670%						
Return on Rate Base by System (%):								
19	Return on Rate Base - Debt Component	-	4.809%	4.809%	4.809%	4.809%	4.809%	
20	Return on Rate Base - Equity Component	-	1.861%	1.861%	1.861%	1.861%	1.861%	
Return on Rate Base (\$):								
21	Return on Debt	83,148,927	75,000,125	602,881	2,700,040	517,734	4,328,147	Schedule 2.6, L.12
22	Return on Equity	32,181,631	29,027,751	233,336	1,045,013	200,382	1,675,149	Schedule 2.6, L.13
23	Return on Rate Base (\$)	115,330,558	104,027,876	836,217	3,745,053	718,116	6,003,296	Schedule 2.6, L.14
Return on Total Rate Base (%):								
24	Return on Rate Base - Debt Component	4.809%	4.809%	4.809%	4.809%	4.809%	4.809%	L. 21 divided by L.9
25	Return on Rate Base - Equity Component	1.861%	1.861%	1.861%	1.861%	1.861%	1.861%	L. 22 divided by L.9
26	Return on Rate Base (%)	6.670%	6.670%	6.670%	6.670%	6.670%	6.670%	L. 23 divided by L.9

⁽¹⁾ Debt and equity weightings reflect a 0.6212% funded ARO and 3.927% component for Employee Future Benefits at 0% cost.

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
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 Credits (\$)	5 Deficit (\$)	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)
Total System								
1	Newfoundland Power	429,322,709	364,016,414	-	55,695,581	-	419,711,995	
2	RSP Activity		-	-	-	-	-	
3	Subtotal Newfoundland Power	429,322,709	364,016,414	-	55,695,581	-	419,711,995	1.18
4	Island Industrial	32,181,654	32,595,652	-	-	-	32,595,652	0.99
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-	-
6	Labrador Industrial	5,410,537	5,077,646	-	-	-	5,077,646	1.07
7	CFB - Goose Bay Secondary	932,221	19,653	912,568	-	-	932,221	47.43
8	Rural Labrador Interconnected	20,093,238	17,528,019	-	2,681,838	-	20,209,858	1.15
Rural Deficit Areas								
9	Island Interconnected	48,185,077	69,900,796	-	(21,715,719)	-	48,185,077	0.69
10	Island Isolated	1,404,780	9,432,845	-	(8,028,065)	-	1,404,780	0.15
11	Labrador Isolated	7,657,423	33,973,565	-	(26,316,142)	-	7,657,423	0.23
12	L'Anse au Loup	2,699,621	5,929,683	-	(3,230,062)	-	2,699,621	0.46
13	CFB Revenue Credit Applied to Deficit	-	-	(912,568)	912,568	-	-	-
14	Subtotal	59,946,902	119,236,889	(912,568)	(58,377,419)	-	59,946,902	0.50
15	Total	547,887,260	538,474,273	-	-	-	538,474,273	1.02

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
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)
Island Interconnected								
1	Newfoundland Power	429,322,709	364,016,414	-	55,695,581	-	419,711,995	
2	NLP RSP Activity	-					-	
3	Subtotal Newfoundland Power	429,322,709	364,016,414	-	55,695,581	-	419,711,995	1.18
4	Industrial - Firm	32,181,654	32,595,652	-			32,595,652	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	-					-	
7	Subtotal Industrial	32,181,654	32,595,652	-	-	-	32,595,652	0.99
Rural								
8	1.1 Domestic	13,420,514	20,677,983	-	(7,257,469)		13,420,514	0.65
9	1.12 Domestic All Electric	15,735,315	23,840,817	-	(8,105,502)		15,735,315	0.66
10	1.3 Special	19,223	59,039	-	(39,816)		19,223	0.33
11	2.1 General Service 0-10 kW							
12	2.2 General Service 10-100 kW	8,700,269	11,713,170	-	(3,012,901)		8,700,269	0.74
13	2.3 General Service 110-1,000 kVa	6,102,165	8,088,083	-	(1,985,918)		6,102,165	0.75
14	2.4 General Service Over 1,000 kVa	3,265,914	4,266,586	-	(1,000,672)		3,265,914	0.77
15	4.1 Street and Area Lighting	941,677	1,255,118	-	(313,442)		941,677	0.75
16	Subtotal Rural	48,185,077	69,900,796	-	(21,715,719)	-	48,185,077	0.69
17	Total Island Interconnected	509,689,440	466,512,863	-	33,979,862	-	500,492,725	1.09

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit

Island Industrial Non-Firm Revenues, Ln 5, Col 2

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Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3

-

Credit to be allocated to Island Interconnected Firm Customers

-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
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 (\$)	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)
Island Isolated								
1	1.2 Domestic Diesel	731,622	7,132,259		(6,400,637)		731,622	0.10
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	58,508	0		58,508		58,508	0.00
4	2.1 General Service 0-10 kW	165,325	912,098		(746,772)		165,325	0.18
5	2.2 GS 10-100 kW	411,055	764,735		(353,680)		411,055	0.54
6	2.3 GS 110-1,000 kVa	0	444,359		(444,359)		0	0.00
7	2.4 General Service Over 1,000 kVa	0	0		0		0	0.00
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	38,270	179,394		(141,125)		38,270	0.21
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	1,404,780	9,432,845		(8,028,065)		1,404,780	0.15

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
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 (\$)	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)
Labrador Isolated								
1	1.2 Domestic Diesel	3,095,464	17,973,013		(14,877,548)		3,095,464	0.17
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	259,129	0		259,129		259,129	0.00
4	2.1 General Service 0-10 kW	1,040,841	3,453,258		(2,412,417)		1,040,841	0.30
5	2.2 GS 10-100 kW	2,563,567	8,847,919		(6,284,352)		2,563,567	0.29
6	2.3 GS 110-1,000 kVa	349,154	1,824,741		(1,475,587)		349,154	0.19
7	2.4 General Service Over 1,000 kVa	237,141	1,530,611		(1,293,470)		237,141	0.15
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	112,128	344,024		(231,896)		112,128	0.33
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	7,657,423	33,973,565		(26,316,142)		7,657,423	0.23

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Comparison of Revenue & Allocated Revenue Requirement**

	1	2	3	4	5	6	7	8
Line No.	Rate Class	Revenues (\$)	Cost of Service Before Deficit and Revenue Credit Allocation (\$)	Revenue Credit (\$)	Deficit (\$)	RSP Activity (\$)	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) (\$)	Revenue to Cost Coverage (Col.2/3)
L'Anse au Loup								
1	1.1 Domestic	498,981	1,228,296		(729,315)		498,981	0.41
2	1.12 Domestic All Electric	1,142,836	2,705,564		(1,562,728)		1,142,836	0.42
3	2.1 General Service 0-10 kW	0	0		0		0	0.00
4	2.2 General Service 10-100 kW	790,588	1,566,904		(776,316)		790,588	0.50
5	2.3 General Service 110-1,000 kVa	220,623	365,066		(144,443)		220,623	0.60
6	4.1 Street and Area Lighting	46,593	63,853		(17,260)		46,593	0.73
7	Total L'Anse Au Loup	2,699,621	5,929,683		(3,230,062)		2,699,621	0.46

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRIC 2015 Test Year Cost of Service for 2015 Revenue Deficiency Labrador Interconnected Comparison of Revenue & Allocated Revenue Requirement								
1	2	3	4	5	6	7	8	
Line No.	Rate Class	Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credit	Deficit Allocation	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6)	Revenue to Cost Coverage (Col.2/3)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Labrador Interconnected								
1	Industrial IOCC Firm	5,410,537	5,077,646	-	-		5,077,646	1.07
2	Industrial IOCC Non-Firm	-	-	-	-		-	0.00
3	Subtotal Industrial	5,410,537	5,077,646	-	-		5,077,646	1.07
4	CFB - Goose Bay Secondary	932,221	19,653	912,568	-		932,221	47.43
Rural								
5	1.1 Domestic	101,289	207,514	-	31,750.23		239,264	0.49
6	1.1A Domestic All Electric	11,049,621	10,547,172	-	1,613,748		12,160,920	1.05
7	2.1 General Service 0-10 kW	410,227	359,117	-	54,946		414,063	1.14
8	2.2 General Service 10-100 kW	2,342,225	1,795,914	-	274,780		2,070,694	1.30
9	2.3 General Service 110-1,000 kVa	3,071,096	2,251,713	-	344,519		2,596,232	1.36
10	2.4 General Service Over 1,000 kVa	2,806,310	2,051,920	-	313,950		2,365,870	1.37
11	4.1 Street and Area Lighting	312,471	314,670	-	48,145		362,816	0.99
12	Subtotal Rural	20,093,238	17,528,019	-	2,681,838		20,209,858	1.15
13	Total Labrador Interconnected	26,435,996	22,625,318	912,568	2,681,838		26,219,724	1.17

Note1:

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2	932,221
CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3	(19,653)
CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5	-
Revenue Credit	<u>912,568</u>

Revenue Credit Applied to Deficit	100.0%	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		<u>-</u>
		<u>912,568</u>

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Rural Deficit Allocation

Line No.	1 Rate Class	2 Allocated Revenue Req't (\$)	3 Demand (\$)	4 Energy (\$)	5 Customer (\$)	6 Source
CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:						
1	Newfoundland Power	364,016,414	143,927,332	215,824,776	4,264,307	Schedule 1.3.1, p. 1
2	Rural Labrador Interconnected	17,528,019	10,686,971	1,333,949	5,507,098	Schedule 1.3.1, p. 3
3	Total	381,544,434	154,614,303	217,158,725	9,771,406	
4	Deficit Classified	58,377,419.36	23,656,443	33,225,923	1,495,054	Prorated on Line 3

* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected:	\$520.85
Labrador Interconnected:	\$474.76

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Rural Deficit Allocation

Line No.	1	2	
	Rate Class	<u>Deficit Allocation</u> Allocated 100% on Revenue Req ^t (\$)	
ALLOCATION OF DEFICIT:			
1	Island Interconnected	55,695,580.94	
2	Labrador Interconnected	2,681,838.42	
3	Allocated Totals	<u><u>58,377,419</u></u>	
CUSTOMER DEFICIT ALLOCATION:			
		Amount	Percent
Island Interconnected:			
4	Newfoundland Power	<u>55,695,581</u>	95.4%
5	Sub-Total Island Interconnected	<u>55,695,581</u>	
Labrador Interconnected:			
6	Rural Labrador Interconnected	<u>2,681,838</u>	4.6%
7	Subtotal Labrador Interconnected	<u>2,681,838</u>	
8	Total	<u><u>58,377,419</u></u>	100.0%

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
	Island Interconnected										
1	Newfoundland Power	9.52	-	0.03643	-	355,358.93	10.97	-	0.04201	-	409,729.89
2	Industrial - Firm	7.83	-	0.03639	-	27,352.11	7.83	-	0.03639	-	27,352.11
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-
	Rural										
4	1.1 Domestic	-	0.09779	0.04046	0.13825	39.78	-	-	-	-	-
5	1.12 Domestic All Electric	-	0.10112	0.04052	0.14164	39.84	-	-	-	-	-
6	1.3 Special	-	0.12968	0.04008	0.16976	39.40	-	-	-	-	-
7	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-	-	-
8	2.2 General Service 10-100 kW	52.59	-	0.04064	-	58.23	-	-	-	-	-
9	2.3 General Service 110-1,000 kVa	31.13	-	0.04058	-	75.83	-	-	-	-	-
10	2.4 General Service Over 1,000 kVa	25.37	-	0.03999	-	75.85	-	-	-	-	-
11	4.1 Street and Area Lighting	-	0.12483	0.04064	0.16547	69.68	-	-	-	-	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
Isolated Systems:											
1	1.2 Domestic Diesel	-	0.26903	0.61637	0.88540	55.68					
2	2.1 General Service 0-10 kW	-	0.19689	0.61087	0.80776	59.81					
3	2.2 GS 10-100 kW	59.17	-	0.59604	-	73.95					
4	2.3 GS 110-1,000 kVa	21.55	-	0.60117	-	99.16					
5	2.4 General Service Over 1,000 kVa	13.99	-	0.58631	-	90.39					
6	Subtotal Metered Demand Classes	44.37	-	0.59563	-	75.15					
7	4.1 Street and Area Lighting	-	0.32425	0.62558	0.94982	98.43					
Island Isolated											
8	1.2 Domestic Diesel	-	0.47946	0.73292	1.21239	76.83	-	-	-	-	-
9	2.1 General Service 0-10 kW	-	0.36085	0.73526	1.09611	86.14	-	-	-	-	-
10	2.2 GS 10-100 kW	170.19	-	0.74221	-	117.10	-	-	-	-	-
11	2.3 GS 110-1,000 kVa	141.30	-	0.73064	-	152.71	-	-	-	-	-
12	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-
13	4.1 Street and Area Lighting	-	0.53301	0.73539	1.26840	116.36	-	-	-	-	-
Labrador Isolated											
14	1.2 Domestic Diesel	-	0.21518	0.58655	0.80173	48.55	-	-	-	-	-
15	2.1 General Service 0-10 kW	-	0.16799	0.58895	0.75694	53.72	-	-	-	-	-
16	2.2 GS 10-100 kW	54.80	-	0.58736	-	69.93	-	-	-	-	-
17	2.3 GS 110-1,000 kVa	10.23	-	0.58534	-	90.24	-	-	-	-	-
18	2.4 General Service Over 1,000 kVa	13.99	-	0.58631	-	90.39	-	-	-	-	-
19	4.1 Street and Area Lighting	-	0.25517	0.58924	0.84441	90.22	-	-	-	-	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
L'Anse au Loup											
1	1.1 Domestic	-	0.10227	0.14169	0.24396	45.15	-	-	-	-	-
2	1.12 Domestic All Electric	-	0.09458	0.14150	0.23608	45.08	-	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	0.00	-	-	-	-	-
4	2.2 General Service 10-100 kW	28.22	-	0.14165	-	61.98	-	-	-	-	-
5	2.3 General Service 110-1,000 kVa	11.12	-	0.14283	-	78.93	-	-	-	-	-
6	4.1 Street and Area Lighting	-	0.09504	0.14268	0.23772	80.83	-	-	-	-	-
Labrador Interconnected											
7	Industrial - IOCC Firm	1.57	-	-	-	5.86	1.57	-	-	-	5.86
8	Industrial - IOCC Non-Firm	-	-	-	-	0.00	-	-	-	-	0.00
9	CFB - Goose Bay Secondary	-	-	0.00193	0.00193	0.00	-	-	0.00193	0.00193	0.00
Rural											
10	1.1 Domestic	-	0.02037	0.00201	0.02238	36.76	-	0.02349	0.00231	0.02581	42.38
11	1.1A Domestic All Electric	-	0.01806	0.00203	0.02009	37.24	-	0.02082	0.00234	0.02316	42.94
12	Subtotal Domestic	-	0.01807	0.00203	0.02010	37.22	-	0.02084	0.00234	0.02318	42.92
13	2.1 General Service 0-10 kW	-	0.01386	0.00204	0.01590	40.96	-	0.01598	0.00235	0.01834	47.23
14	2.2 General Service 10-100 kW	4.80	-	0.00205	-	52.86	5.54	-	0.00236	-	60.95
15	2.3 General Service 110-1,000 kVa	5.49	-	0.00205	-	67.92	6.33	-	0.00237	-	78.32
16	2.4 General Service Over 1,000 kVa	5.97	-	0.00201	-	67.16	6.88	-	0.00232	-	77.44
17	4.1 Street and Area Lighting	-	0.01977	0.00203	0.02180	59.68	0.00	0.02280	0.00234	0.02514	68.81

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

52.45518
1.4081633
9

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Island Interconnected								
1	Newfoundland Power	364,016,414	143,927,332	215,824,776	4,264,307	419,711,995	165,948,636	248,846,600	4,916,759
2	Industrial - Firm	32,595,652	8,338,748	22,615,778	1,641,127	32,595,652	8,338,748	22,615,778	1,641,127
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-
	Rural								
4	1.1 Domestic	20,677,983	10,731,068	4,439,773	5,507,141	-	-	-	-
5	1.12 Domestic All Electric	23,840,817	14,209,306	5,694,128	3,937,383	-	-	-	-
6	1.3 Special	59,039	44,740	13,827	473	-	-	-	-
7	2.1 General Service 0-10 kW								
8	2.2 General Service 10-100 kW	11,713,170	6,605,999	3,075,487	2,031,684	-	-	-	-
9	2.3 General Service 110-1,000 kVa	8,088,083	5,561,350	2,443,066	83,667	-	-	-	-
10	2.4 General Service Over 1,000 kVa	4,266,586	2,814,959	1,444,345	7,282	-	-	-	-
11	4.1 Street and Area Lighting	1,255,118	349,525	113,802	791,791	-	-	-	-
12	Subtotal Rural	69,900,796	40,316,948	17,224,428	12,359,421				
13	Total Island Interconnected	466,512,863	192,583,027	255,664,981	18,264,854				

0.548034152

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Isolated Systems:								
1	1.2 Domestic Diesel	25,105,272	7,066,266	16,189,334	1,849,672				
2	2.1 General Service 0-10 kW	4,365,356	974,506	3,023,587	367,263				
3	2.2 GS 10-100 kW	9,612,654	2,169,799	7,307,573	135,282				
4	2.3 GS 110-1,000 kVa	2,269,100	329,859	1,930,912	8,330				
5	2.4 General Service Over 1,000 kVa	1,530,611	89,160	1,440,366	1,085				
6	Subtotal Metered Demand Classes	13,412,364	2,588,818	10,678,851	144,696				
7	4.1 Street and Area Lighting	523,418	129,893	250,607	142,918				
8	Total Isolated Systems	43,406,410	10,759,482	30,142,378	2,504,550				
	Island Isolated								
9	1.2 Domestic Diesel	7,132,259	2,566,093	3,922,598	643,568	-	-	-	-
10	2.1 General Service 0-10 kW	912,098	267,602	545,263	99,232	-	-	-	-
11	2.2 GS 10-100 kW	764,735	236,643	509,824	18,267	-	-	-	-
12	2.3 GS 110-1,000 kVa	444,359	186,803	255,723	1,833	-	-	-	-
13	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-
14	4.1 Street and Area Lighting	179,394	53,087	73,245	53,062	-	-	-	-
15	Total Island Isolated	9,432,845	3,310,229	5,306,653	815,963				
	Labrador Isolated								
16	1.2 Domestic Diesel	17,973,013	4,500,173	12,266,736	1,206,104	-	-	-	-
17	2.1 General Service 0-10 kW	3,453,258	706,904	2,478,324	268,031	-	-	-	-
18	2.2 GS 10-100 kW	8,847,919	1,933,155	6,797,749	117,014	-	-	-	-
19	2.3 GS 110-1,000 kVa	1,824,741	143,056	1,675,188	6,497	-	-	-	-
20	2.4 General Service Over 1,000 kVa	1,530,611	89,160	1,440,366	1,085	-	-	-	-
21	4.1 Street and Area Lighting	344,024	76,806	177,362	89,856	-	-	-	-
22	Total Labrador Isolated	33,973,565	7,449,253	24,835,725	1,688,587				

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
L'Anse au Loup									
1	1.1 Domestic	1,228,296	422,468	585,336	220,493	-	-	-	-
2	1.12 Domestic All Electric	2,705,564	1,000,272	1,496,467	208,825	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-
4	2.2 General Service 10-100 kW	1,566,904	496,699	914,768	155,436	-	-	-	-
5	2.3 General Service 110-1,000 kVa	365,066	87,245	273,085	4,736	-	-	-	-
6	4.1 Street and Area Lighting	63,853	12,925	19,405	31,523	-	-	-	-
7	Total L'Anse au Loup	5,929,683	2,019,608	3,289,061	621,013				
Labrador Interconnected									
8	Industrial - IOCC Firm	5,077,646	5,077,575	-	70	5,077,646	5,077,575	-	70
9	Industrial - IOCC Non-Firm	-	-	-	-	-	-	-	-
10	CFB - Goose Bay Secondary	19,653	-	19,653	-	19,653	-	19,653	-
Rural									
11	1.1 Domestic	207,514	44,356	4,368	158,790	239,264	51,143	5,036	183,085
12	1.1A Domestic All Electric	10,547,172	5,687,648	640,263	4,219,260	12,160,920	6,557,875	738,226	4,864,820
13	Subtotal Domestic	10,754,686	5,732,004	644,631	4,378,050	12,400,184	6,609,018	743,261	5,047,905
14	2.1 General Service 0-10 kW	359,117	92,366	13,603	253,147	414,063	106,499	15,684	291,880
15	2.2 General Service 10-100 kW	1,795,914	1,182,281	152,157	461,475	2,070,694	1,363,174	175,438	532,082
16	2.3 General Service 110-1,000 kVa	2,251,713	1,882,243	235,590	133,880	2,596,232	2,170,232	271,636	154,364
17	2.4 General Service Over 1,000 kVa	2,051,920	1,762,746	284,338	4,836	2,365,870	2,032,451	327,843	5,576
18	4.1 Street and Area Lighting	314,670	35,331	3,630	275,710	362,816	40,736	4,185	317,894
19	Subtotal Rural	17,528,019	10,686,971	1,333,949	5,507,098	20,209,858	12,322,109	1,538,048	6,349,701
20	Total Labrador Interconnected	22,625,318	15,764,546	1,353,603	5,507,169	25,307,156	17,399,684	1,557,701	6,349,771

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.3.2

Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Demands, Sales, & Number of Bills**

58

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
	Island Interconnected				
1	Newfoundland Power	15,122,049	5,924,100	1	12
2	Industrial - Firm	1,064,800	621,400	5	60
3	Industrial - Non-Firm	-	-	-	-
	Rural				
4	1.1 Domestic	-	109,735	11,538	138,450
5	1.12 Domestic All Electric	-	140,519	8,236	98,832
6	1.3 Special	-	345	1	12
7	2.1 General Service 0-10 kW	-	-	-	-
8	2.2 General Service 10-100 kW	125,618	75,684	2,908	34,894
9	2.3 General Service 110-1,000 kVa	178,664	60,203	92	1,103
10	2.4 General Service Over 1,000 kVa	110,944	36,122	8	96
11	4.1 Street and Area Lighting	-	2,800	947	11,364
12	Subtotal Rural	415,225	425,409	23,729	284,751
13	Total Island Interconnected	16,602,074	6,970,909	23,735	284,823

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.3.2

Page 2 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
Isolated Systems:					
1	1.2 Domestic Diesel	-	26,265	2,768	33,217
2	2.1 General Service 0-10 kW	-	4,950	512	6,141
3	2.2 GS 10-100 kW	36,668	12,260	152	1,829
4	2.3 GS 110-1,000 kVa	15,307	3,212	7	84
5	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
6	Subtotal Metered Demand Classes	58,347	17,929	160	1,925
7	4.1 Street and Area Lighting	-	401	121	1,452
8	Total Isolated Systems	58,347	49,545	3,561	42,735
Island Isolated					
9	1.2 Domestic Diesel	-	5,352	698	8,376
10	2.1 General Service 0-10 kW	-	742	96	1,152
11	2.2 GS 10-100 kW	1,390	687	13	156
12	2.3 GS 110-1,000 kVa	1,322	350	1	12
13	2.4 General Service Over 1,000 kVa	-	-	-	-
14	4.1 Street and Area Lighting	-	100	38	456
15	Total Island Isolated	2,712	7,230	846	10,152
Labrador Isolated					
16	1.2 Domestic Diesel	-	20,913	2,070	24,841
17	2.1 General Service 0-10 kW	-	4,208	416	4,989
18	2.2 GS 10-100 kW	35,277	11,573	139	1,673
19	2.3 GS 110-1,000 kVa	13,985	2,862	6	72
20	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
21	4.1 Street and Area Lighting	-	301	83	996
22	Total Labrador Isolated	55,634	42,314	2,715	32,583

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.3.2

Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	1 Rate Class	Units			
		2 Billing Demands (kW)	3 Sales (MWh)	4 Customers	5 Bills (Total No)
L'Anse au Loup					
1	1.1 Domestic	-	4,131	407	4,884
2	1.12 Domestic All Electric	-	10,576	386	4,632
3	2.1 General Service 0-10 kW	-	-	-	-
4	2.2 General Service 10-100 kW	17,600	6,458	209	2,508
5	2.3 General Service 110-1,000 kVa	7,844	1,912	5	60
6	4.1 Street and Area Lighting	-	136	33	390
7	Total L'Anse au Loup	25,444	23,213	1,040	12,474
Labrador Interconnected					
8	Industrial - IOCC Firm	3,240,000	1,790,000	1	12
9	Industrial - IOCC Non-Firm	-	-	-	-
10	CFB - Goose Bay Secondary	-	10,200	-	-
Rural					
11	1.1 Domestic	-	2,177	360	4,320
12	1.1A Domestic All Electric	-	315,013	9,442	113,304
13	Subtotal Domestic	-	317,190	9,802	117,624
14	2.1 General Service 0-10 kW	-	6,663	515	6,180
15	2.2 General Service 10-100 kW	246,126	74,304	728	8,730
16	2.3 General Service 110-1,000 kVa	342,935	114,720	164	1,971
17	2.4 General Service Over 1,000 kVa	295,333	141,252	6	72
18	4.1 Street and Area Lighting	-	1,787	385	4,620
19	Subtotal Rural	884,393	655,916	11,600	139,197
20	Total Labrador Interconnected	4,124,393	2,456,116	11,601	139,209

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.4
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO			
2015 Test Year Cost of Service for 2015 Revenue Deficiency			
Cost Calculations for Newfoundland Power			
(Not used for Revenue Deficiency Calculations)			
Line No.	Description	1	2
Line No.	Description	Amount	Source
Newfoundland Power:			
Demand:			
1	Cost (\$/kW/mo.)	5.50	
2	Billing Units (kW)	15,122,049	Sch 1.3.2, pg 1, Ln 1, Col 2
3	Demand Revenue	\$83,171,270	Ln 1 * Ln 2
Energy (First Block):			
4	Total Revenue Requirement	\$419,711,995	Sch 1.2, pg 1, Ln 1, Col 7
5	Less: Demand Revenue	83,171,270	Ln 2 * Ln 3
6	Revenue Requirement to be Recovered Through Energy Rates	<u>\$ 336,540,726</u>	Ln 4 - Ln 5
Non-Fuel Energy Costs:			
7	Energy Revenue Requirement	215,824,776	Sch 1.3.1, pg 1, Ln 1, Col 4
Less Allocated Holyrood Fuel Costs			
8	Total Holyrood Fuel Costs	143,315,358	Sch 1.1, pg 1, Ln 2, Col 3
9	Newfoundland Power Trans. Energy Allocation Ratio	0.8452	Sch 3.1A, pg 1, Ln 14, Col 4
10	Allocated Holyrood Fuel Costs	<u>121,125,126</u>	Ln 8 * Ln 9
11	Non-Fuel Energy Costs:	<u>\$ 94,699,649</u>	Ln 7 - Ln 10
12	Customer Costs	<u>\$ 4,264,307</u>	Sch 1.3.1, pg 1, Ln 1, Col 5
13	First Block Energy Consumed (MWh)	3,000,000	
14	Cost (Mills/kWh)	32.99	Ln 11 + Ln 12 / Ln 13
Energy (Second Block):			
15	Total Revenue Requirement	\$419,711,995	Sch 1.2, pg 1, Ln 1, Col 7
16	Less: Demand Revenue	83,171,270	Ln 2 * Ln 3
17	Less: First Block Revenue	<u>98,970,000</u>	Ln 13 * Ln 14
18	Second Block Energy Revenue	\$237,570,726	
19	Second Block Energy Consumed (MWh)	2,924,100	
20	Cost (Mills/kWh)	81.26	Ln 18 / Ln 19
21	Average No. 6 Fuel Cost per Barrel	\$54.41	
22	Efficiency Factor (kWh per Barrel)	607	
23	Cost (Mills/kWh)	89.64	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.5
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Value of Newfoundland Power Thermal Generation Credit**

Line No.	Description	1	2	3
Line No.	Description		Amount	Source
1	Island Interconnected System:			
2	Generation demand costs (\$)		132,389,091	Sch 2.1A, C. 3, Ln 24
3	Coincident peak (kW)		<u>1,464,218</u>	Sch 3.1A, C. 3, Ln 13
4	Generation demand costs (\$/kW)		90.42	Ln 2 / Ln 3
5	NP thermal generation capacity credit (kW)		<u>33,386</u>	⁽¹⁾
6	Gross value of credit to NP (\$)		<u>3,018,762</u>	Ln 4 x Ln 5
7	Less NP's cost share:			
8	Percentage		<u>88.85%</u>	Sch 3.1A, C. 5, Ln 14
9	Amount (\$)		<u>(2,682,295)</u>	Ln 6 x Ln 8
10	Net value of credit to NP (\$)		<u><u>336,467</u></u>	Ln 6 - Ln 9
	⁽¹⁾ NP gas turbine and diesel generation capacity (kW)		37,826	
	+ System reserve		<u>1.13</u>	
	NP thermal generation capacity credit (kW)		<u><u>33,386</u></u>	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.6

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Calculation of Firming Up Charge**

	1	2	3	4
Line No.	Description	Total	Gas Turbine	Transmission & Terminals
1	Operating & Maintenance	11,846,986	6,324,023	5,522,963
2	O&M Overhead	9,113,388	4,403,877	4,709,511
3	Depreciation	11,402,833	4,984,289	6,418,544
4	Return	19,051,554	6,355,861	12,695,692
5	Total	51,414,761	22,068,052	29,346,710
6	Capacity (kW)		223,500	1,742,100
7	Cost (\$/kW)	\$115.58	\$98.74	\$16.85
8	Rate (\$/kWh)	\$0.02513		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 1.7

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Calculation of Transmission Wheeling Charge**

1

2

Line No.	Description	
1	Island Interconnected Transmission Revenue Requirement	29,729,440
2	Transmission Energy Output (MWh)	7,009,400
3	Rate (\$/kWh)	\$0.00424

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Customer (\$)		10 Line Transformers Demand (\$)		11 Customer (\$)		12 Secondary Lines Demand (\$)		
Expenses																		
1	Operating & Maintenance	100,111,681	43,112,990	22,135,224	10,232,474	3,772,113	1,317,718	6,524,370	1,692,334	409,218	724,349	970,952	1,060,407	438,915	439,780	147,948	2,688,876	2,375,389
2	Fuels-No. 6 Fuel	143,315,358	-	143,315,358	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	87,140	87,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	3,473,690	3,473,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Supply Deferral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Power Purchases-Other	58,109,820	21,243,193	36,173,623	-	693,003	-	-	-	-	-	-	-	-	-	-	-	-
8	Depreciation	55,709,990	24,873,879	15,586,222	6,418,544	2,634,479	641,185	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	1,187,781
Expense Credits																		
9	Sundry	(505,215)	(217,570)	(111,706)	(51,638)	(19,036)	(6,650)	(32,925)	(8,540)	(2,065)	(3,655)	(4,900)	(5,351)	(2,215)	(2,219)	(747)	(13,569)	(11,987)
10	Building Rental Income	(17,472)	(6,795)	(5,229)	(2,318)	(936)	(196)	(775)	(201)	(49)	(86)	(115)	(126)	(52)	(43)	(18)	-	(534)
11	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Suppliers' Discounts	(78,706)	(33,894)	(17,402)	(8,045)	(2,966)	(1,036)	(5,129)	(1,330)	(322)	(569)	(763)	(834)	(345)	(346)	(116)	(2,114)	(1,867)
13	Pole Attachments	(1,263,389)	-	-	-	-	-	(730,679)	(249,711)	-	-	(129,331)	(153,669)	-	-	-	-	-
14	Secondary Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Application Fees	(11,476)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,476)	-
17	Meter Test Revenues	(2,075)	-	-	-	-	-	-	-	-	-	-	-	-	(2,075)	-	-	-
18	Total Expense Credits	(1,878,333)	(258,260)	(134,337)	(62,001)	(22,937)	(7,882)	(769,508)	(259,783)	(2,435)	(4,311)	(135,109)	(159,980)	(2,612)	(4,683)	(881)	(27,159)	(14,389)
19	Subtotal Expenses	358,929,346	92,532,632	217,076,090	16,589,017	7,076,658	1,951,022	7,621,140	1,941,811	629,848	1,114,882	1,123,319	1,218,602	590,695	707,170	286,221	2,864,899	3,548,781
20	Disposal Gain / Loss	3,555,647	1,339,142	1,206,590	444,731	164,897	36,780	135,840	39,030	10,569	18,708	23,346	25,512	14,013	8,454	3,298	5,633	79,104
21	Subtotal Revenue Requirement Ex. Return	362,484,993	93,871,774	218,282,681	17,033,747	7,241,555	1,987,802	7,756,980	1,980,841	640,417	1,133,591	1,146,665	1,244,115	604,708	715,624	289,519	2,870,533	3,627,885
22	Return on Debt	75,000,125	27,769,515	26,423,419	9,153,109	3,398,342	757,743	2,803,485	804,000	217,316	384,668	480,566	525,166	287,261	174,188	67,975	117,341	1,636,031
23	Return on Equity	29,027,751	10,747,803	10,226,815	3,542,583	1,315,281	293,274	1,085,050	311,177	84,109	148,880	185,996	203,258	111,180	67,417	26,309	45,415	633,203
24	Total Revenue Reqmt	466,512,869	132,389,091	254,932,914	29,729,440	11,955,178	3,038,819	11,645,514	3,096,018	941,842	1,667,139	1,813,227	1,972,539	1,003,149	957,230	383,802	3,033,289	5,897,119

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	19		20	21
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
Expenses					
1	Operating & Maintenance	1,357,786	710,839	Carryforward from Sch.2.4 L.30	
2	Fuels-No. 6 Fuel	-	-	Production - Demand, Energy ratios Sch.4.1 L.10	
3	Fuels-Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.12	
4	Fuels-Gas Turbine	-	-	Production - Demand, Energy ratios Sch.4.1 L.11	
5	Fuel Supply Deferral				
6	Power Purchases -CF(L)Co	-	-		
7	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.8	
8	Depreciation	-	-	Carryforward from Sch.2.5 L.40	
Expense Credits					
9	Sundry	(6,852)	(3,587)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
10	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.34	
11	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
12	Suppliers' Discounts	(1,067)	(559)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
13	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
14	Secondary Energy	-	-	Production - Energy	
15	Wheeling Revenues	-	-	Transmission - Demand	
16	Application Fees	-	-	Accounting - Customer	
17	Meter Test Revenues	-	-	Meters - Customer	
18	Total Expense Credits	(7,920)	(4,146)		
19	Subtotal Expenses	1,349,866	706,693		
20	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.40	
21	Subtotal Revenue Requirement				
	Ex. Return	1,349,866	706,693		
22	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.9	
23	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.11	
24	Total Revenue Reqmt	1,349,866	706,693		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	Functional Classification of Plant in Service for the Allocation of O&M Expense																	
		2	3	4	5	6	Distribution											17	18
		Total Amount (\$)	Production Demand (\$)	Production and Transmission Energy (\$)	Transmission Demand (\$)	Rural Prod & Transmission Demand (\$)	Substations Demand (\$)	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Specifically Assigned Customer	
						Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	
Production																			
Hydraulic																			
1	Bay D'Espoir	224,163,991	100,704,132	123,459,859	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Upper Salmon	174,849,492	78,549,933	96,299,560	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Hinds Lake	82,714,770	37,159,042	45,555,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Cat Arm	272,937,726	122,615,397	150,322,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Paradise River	22,264,052	10,001,972	12,262,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Granite Canal	112,087,573	50,354,572	61,733,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Hydraulic	5,330,264	2,394,585	2,935,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Subtotal Hydraulic	894,347,869	401,779,633	492,568,236	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Holyrood	256,920,692	185,599,508	71,321,184	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gas Turbines	155,106,747	155,106,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Diesel	10,395,824	10,395,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Subtotal Production	1,316,771,131	752,881,711	563,889,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																			
14	Lines	286,645,674	-	-	162,412,792	87,840,416	-	-	-	-	-	-	-	-	-	-	-	-	36,392,465
15	Lines - Hydraulic	55,792,306	25,064,310	30,727,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	160,127,899	-	-	110,982,351	22,520,123	-	-	-	-	-	-	-	-	-	-	-	-	26,625,425
17	Term Stns - Hydraulic	35,992,419	16,169,347	19,823,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	8,772,062	6,336,937	2,435,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	700,311	700,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	13,916,403	-	-	-	-	13,916,403	-	-	-	-	-	-	-	-	-	-	-	-
21	Subtotal Term Stns	219,509,093	23,206,595	22,258,197	110,982,351	22,520,123	13,916,403	-	-	-	-	-	-	-	-	-	-	-	26,625,425
22	Subtotal Transmission	561,947,073	48,270,905	52,986,192	273,395,144	110,360,539	13,916,403	-	-	-	-	-	-	-	-	-	-	-	63,017,890
Distribution																			
23	Substations	9,597,162	414,826	-	-	-	9,182,337	-	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	3,994,373	-	-	-	-	-	3,011,558	383,660	-	-	349,308	249,848	-	-	-	-	-	-
25	Poles	105,894,476	-	-	-	-	-	61,243,858	20,930,255	-	-	10,840,206	12,880,157	-	-	-	-	-	-
26	Primary Conductor & Eqpt	21,201,429	-	-	-	-	-	18,805,668	2,395,762	-	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	8,345,651	-	-	-	-	-	8,345,651	-	-	-	-	-	-	-	-	-	-	-
28	Transformers	15,881,322	-	-	-	-	-	-	-	5,733,157	10,148,165	-	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	4,139,916	-	-	-	-	-	-	-	-	-	2,413,571	1,726,345	-	-	-	-	-	-
30	Services	6,149,220	-	-	-	-	-	-	-	-	-	-	-	6,149,220	-	-	-	-	-
31	Meters	5,035,413	-	-	-	-	-	-	-	-	-	-	-	-	-	5,035,413	-	-	-
32	Street Lighting	2,072,755	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072,755	-	-
33	Subtotal Distribution	182,311,718	414,826	-	-	-	9,182,337	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	-	-
34	SubtII Prod, Trans, & Dist	2,061,029,922	801,567,441	616,875,613	273,395,144	110,360,539	23,098,739	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	-	63,017,890
35	General	185,063,996	84,755,553	42,619,321	16,482,878	5,867,173	2,332,857	11,965,798	3,103,767	750,511	1,328,468	1,780,742	1,944,803	804,977	846,236	271,338	6,373,405	3,836,168	-
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	200,794	78,092	60,098	26,635	10,752	2,250	8,905	2,310	559	989	1,325	1,447	599	491	202	-	-	6,139
39	Software - General	4,311,426	1,676,782	1,290,429	571,910	230,861	48,320	191,212	49,598	11,993	21,229	28,456	31,078	12,863	10,533	4,336	-	-	131,826
40	Total Plant	2,251,345,562	888,817,293	660,845,461	290,476,567	116,469,325	25,482,167	103,572,650	26,865,351	6,496,220	11,498,850	15,413,608	16,833,678	6,967,659	5,892,673	2,348,631	6,373,405	66,992,023	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.2A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D)

Line No.	Description	Basis of Functional Classification
	Production	
	Hydraulic	
1	Bay D'Espoir	Production - Demand, Energy ratios Sch.4.1 L.1
2	Upper Salmon	Production - Demand, Energy ratios Sch.4.1 L.1
3	Hinds Lake	Production - Demand, Energy ratios Sch.4.1 L.1
4	Cat Arm	Production - Demand, Energy ratios Sch.4.1 L.1
5	Paradise River	Production - Demand, Energy ratios Sch.4.1 L.1
6	Granite Canal	Production - Demand, Energy ratios Sch.4.1 L.1
7	Other Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.1, 2
8	Subtotal Hydraulic	
9	Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
10	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.4
11	Roddickton	Production - Demand, Energy ratios Sch.4.1 L.3
12	Diesel	Production - Demand, Energy ratios Sch.4.1 L.5
13	Subtotal Production	
	Transmission	
14	Lines	Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
15	Lines - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.17
16	Terminal Stations	Production - Demand, Energy subtotals, L. 13; Transmission - Demand; Spec Assigned - Custmr
17	Term Stns - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.20
18	Term Stns - Holyrood	Production - Demand, Energy ratios Sch.4.1 L.21
19	Term Stns - Gas Tur/Dsl	Production - Demand, Energy ratios Sch.4.1 L.22, 23
20	Term Stns - Distribution	Distribution - Substations Demand
21	Subtotal Term Stns	
22	Subtotal Transmission	
	Distribution	
23	Substations	Production - Demand; Dist Substns - Demand
24	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
25	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
26	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
27	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
28	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
29	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
30	Services	Services Customer
31	Meters	Meters - Customer
32	Street Lighting	Street Lighting - Customer
33	Subtotal Distribution	
34	Subtl Prod, Trans, & Dist	
35	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.15, 16
36	Telecontrol - Custmr & Spec	Specifically Assigned - Customer
37	Feasibility Studies	Production, Transmission - Demand
38	Feasibility Studies - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
39	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
40	Total Plant	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.3A
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Functional Classification of Net Book Value

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)		8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)		
Production																		
Hydraulic																		
1	Bay D'Espoir	145,167,492	65,215,498	79,951,994	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	150,562,745	67,639,278	82,923,467	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	68,558,878	30,799,605	37,759,274	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	236,033,512	106,036,433	129,997,079	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	18,634,236	8,371,302	10,262,933	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	99,568,098	44,730,284	54,837,814	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	3,369,380	1,513,671	1,855,709	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	721,894,341	324,306,071	397,588,270	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	72,826,439	52,609,820	20,216,620	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	79,500,056	79,500,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	3,312,510	3,312,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	877,533,346	459,728,456	417,804,890	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
14	Lines	167,016,240	-	-	102,291,816	47,180,089	-	-	-	-	-	-	-	-	-	-	-	17,544,336
15	Lines - Hydraulic	45,062,465	20,244,002	24,818,462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	92,056,277	-	-	65,144,264	14,985,747	-	-	-	-	-	-	-	-	-	-	-	11,926,267
17	Term Stns - Hydraulic	21,686,911	9,742,696	11,944,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	1,522,380	1,099,767	422,613	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	400,885	400,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	9,753,646	-	-	-	-	9,753,646	-	-	-	-	-	-	-	-	-	-	-
21	Subtotal Term Stns	125,420,099	11,243,348	12,366,828	65,144,264	14,985,747	9,753,646	-	-	-	-	-	-	-	-	-	-	11,926,267
22	Subtotal Transmission	337,498,804	31,487,350	37,185,290	167,436,079	62,165,835	9,753,646	-	-	-	-	-	-	-	-	-	-	29,470,603
Distribution																		
23	Substations	3,895,381	135,275	-	-	-	3,760,106	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	2,670,404	-	-	-	-	-	2,013,351	256,492	-	-	233,527	167,034	-	-	-	-	-
25	Poles	66,098,651	-	-	-	-	-	38,228,022	13,064,530	-	-	6,766,387	8,039,711	-	-	-	-	-
26	Primary Conductor & Eqpt	7,107,896	-	-	-	-	-	6,304,704	803,192	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	2,211,614	-	-	-	-	-	2,211,614	-	-	-	-	-	-	-	-	-	-
28	Transformers	10,680,786	-	-	-	-	-	-	3,855,764	6,825,022	-	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	2,529,075	-	-	-	-	-	-	-	-	1,474,451	1,054,624	-	-	-	-	-	-
30	Services	5,177,339	-	-	-	-	-	-	-	-	-	-	5,177,339	-	-	-	-	-
31	Meters	2,999,527	-	-	-	-	-	-	-	-	-	-	-	2,999,527	-	-	-	-
32	Street Lighting	1,190,297	-	-	-	-	-	-	-	-	-	-	-	-	1,190,297	-	-	-
33	Subtotal Distribution	104,560,969	135,275	-	-	-	3,760,106	48,757,691	14,124,215	3,855,764	6,825,022	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	-
34	Subttl Prod, Trans, & Dist	1,319,593,120	491,351,082	454,990,180	167,436,079	62,165,835	13,513,752	48,757,691	14,124,215	3,855,764	6,825,022	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	29,470,603
35	General	63,880,339	29,255,899	14,711,326	5,689,555	2,025,229	805,255	4,130,351	1,071,357	259,061	458,560	614,676	671,307	277,862	292,103	93,661	2,199,970	1,324,167
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Software - General	4,382,688	1,631,896	1,511,132	556,096	206,468	44,882	161,936	46,910	12,806	22,668	28,145	30,759	17,195	9,962	3,953	-	97,879
40	Total Net Book Value	1,388,595,572	522,978,301	471,212,638	173,681,731	64,397,532	14,363,889	53,049,978	15,242,482	4,127,631	7,306,250	9,117,185	9,963,435	5,472,396	3,301,593	1,287,911	2,199,970	30,892,649

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Functional Classification of Operating & Maintenance Expense

Line No.	Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
		Total	Production	Production and	Transmission	Rural Prod &	Distribution														Specifically
		Amount	Demand	Transmission Energy	Demand	Transmission Demand	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned			
	(\$)	(\$)	(\$)	(\$)	(\$)	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer	Customer	Customer		
Production																					
1	Hydraulic	12,112,026	5,441,244	6,670,781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Holyrood / Thermal	19,459,003	14,057,184	5,401,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Gas Turbine	5,995,298	5,995,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Diesel	362,481	362,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Other	2,635,738	1,507,019	1,128,719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Subtotal Production	40,564,546	27,363,226	13,201,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transmission																					
8	Transmission Lines	3,910,236	286,205	350,877	1,854,562	1,003,033	-	-	-	-	-	-	-	-	-	-	-	-	415,559		
9	Terminal Stations	5,102,709	539,461	517,414	2,579,896	523,503	323,501	-	-	-	-	-	-	-	-	-	-	-	618,935		
10	Other	2,237,357	192,188	210,961	1,088,506	439,394	55,407	-	-	-	-	-	-	-	-	-	-	-	250,902		
11	Subtotal Transmission	11,250,301	1,017,853	1,079,253	5,522,963	1,965,930	378,908	-	-	-	-	-	-	-	-	-	-	-	1,285,395		
Distribution																					
12	Other	7,775,946	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	-	90,918	-	-	-		
13	Meters	283,551	-	-	-	-	-	-	-	-	-	-	-	-	283,551	-	-	-	-		
14	Subtotal Distribution	8,059,497	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	-		
15	Subttl Prod, Trans, & Dist	59,874,344	28,399,275	14,280,572	5,522,963	1,965,930	781,677	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	1,285,395		
16	Customer Accounting	2,135,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,135,554	-		
Administrative & General:																					
Plant-Related:																					
17	Production	6,089,665	3,481,848	2,607,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Prod - Gas Turb & Diesel	1,583,881	1,583,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Transmission	5,300,429	455,304	499,779	2,578,733	1,040,949	131,263	-	-	-	-	-	-	-	-	-	-	-	594,401		
20	Distribution	2,446,265	5,566	-	-	-	123,209	1,226,499	318,137	76,928	136,168	182,527	199,343	82,510	67,565	27,812	-	-	-		
21	Prod, Trans, Distn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	Prod, Trans, Distn and General Plant	343,528	135,623	100,837	44,323	17,772	3,888	15,804	4,099	991	1,755	2,352	2,569	1,063	899	358	973	10,222			
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	1,425,303	335,564	83,012	428,322	172,899	36,188	143,205	37,145	8,982	15,899	21,312	23,275	9,634	7,889	3,247	-	-	98,729		
24	Property Insurance	1,595,772	794,003	579,666	117,511	26,171	23,446	11,031	2,861	692	1,225	1,642	1,793	742	780	250	5,876	28,083			
Revenue-Related:																					
25	Municipal Tax	1,357,786	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	PUB Assessment	710,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	All Expense-Related	15,867,912	7,267,182	3,654,302	1,413,289	503,068	200,026	1,025,981	266,126	64,351	113,907	152,686	166,753	69,021	72,559	23,265	546,474	328,924			
28	Prod, Trans, and Distn Expense-Related	1,380,404	654,746	329,239	127,332	45,325	18,022	92,437	23,977	5,798	10,263	13,756	15,024	6,219	6,537	2,096	-	-	29,635		
29	Subtotal Admin & General	38,101,783	14,713,715	7,854,652	4,709,511	1,806,183	536,042	2,514,958	652,346	157,742	279,216	374,274	408,756	169,189	156,229	57,030	553,322	1,089,993			
30	Total Operating & Maintenance Expenses	100,111,681	43,112,990	22,135,224	10,232,474	3,772,113	1,317,718	6,524,370	1,692,334	409,218	724,349	970,952	1,060,407	438,915	439,780	147,948	2,688,876	2,375,389			

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		19 Municipal Tax	20 PUB Assessment	
	Production			
1	Hydraulic	-	-	Prorated on Hydraulic Plant in Service - Sch.2.2 L.8
2	Holyrood / Thermal	-	-	Prorated on Holyrood Plant in Service - Sch.2.2 L.9
3	Roddickton	-	-	Prorated on Roddickton Plant in Service - Sch.2.2 L.11
4	Gas Turbine	-	-	Prorated on Gas Turbines Plant in Service - Sch.2.2 L.10
5	Diesel	-	-	Prorated on Diesel Plant in Service - Sch.2.2 L.12
6	Other	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
7	Subtotal Production	-	-	
	Transmission			
8	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.14, 15
9	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.21
10	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
11	Subtotal Transmission	-	-	
	Distribution			
12	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 33, less L. 31
13	Meters	-	-	Meters - Customer
14	Subtotal Distribution	-	-	
15	Subttl Prod, Trans, & Dist	-	-	
16	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
17	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
18	Prod - Gas Turb & Diesel	-	-	Prorated on Gas Turbine & Diesel Production Plant in Service - Sch.2.2 L.10, 12
19	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
20	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.33
21	Prod, Trans, Distn	-	-	Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.34
22	Prod, Trans, Distn and General Plant	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 40
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 34 Less L. 8 and L. 9
24	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.13, 21, 23, 35 - 36
	Revenue-Related:			
25	Municipal Tax	1,357,786	-	Revenue-related
26	PUB Assessment	-	710,839	Revenue-related
27	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 15, 16
28	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L 15
29	Subtotal Admin & General	1,357,786	710,839	
30	Total Operating & Maintenance Expenses	1,357,786	710,839	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Functional Classification of Depreciation Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
Production																		
Hydraulic																		
1	Bay D'Espoir	4,592,375	2,063,093	2,529,282	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	3,044,289	1,367,626	1,676,663	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	1,408,226	632,636	775,590	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	5,429,147	2,439,007	2,990,140	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	454,623	204,236	250,387	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	2,418,851	1,086,652	1,332,199	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	79,620	35,769	43,851	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	17,427,132	7,829,019	9,598,112	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	11,510,648	8,315,292	3,195,356	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	4,293,739	4,293,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	124,574	124,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	33,356,092	20,562,624	12,793,468	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
14	Lines	5,911,528	-	-	3,586,621	1,708,499	-	-	-	-	-	-	-	-	-	-	616,408	
15	Lines - Hydraulic	1,399,044	628,511	770,533	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Terminal Stations	3,332,774	-	-	2,205,149	696,864	-	-	-	-	-	-	-	-	-	-	430,761	
17	Term Stns - Hydraulic	728,807	327,412	401,396	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Term Stns - Holyrood	63,247	45,689	17,557	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Term Stns - Gas Tur/Dsl	14,370	14,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Term Stns - Distribution	398,412	-	-	-	-	398,412	-	-	-	-	-	-	-	-	-	-	
21	Subtotal Term Stns	4,537,610	387,471	418,953	2,205,149	696,864	398,412	-	-	-	-	-	-	-	-	-	430,761	
22	Subtotal Transmission	11,848,183	1,015,982	1,189,486	5,791,770	2,405,363	398,412	-	-	-	-	-	-	-	-	-	1,047,169	
Distribution																		
23	Substations	163,174	4,515	-	-	-	158,659	-	-	-	-	-	-	-	-	-	-	
24	Land & Land Improvements	70,663	-	-	-	-	-	53,277	6,787	-	-	6,179	4,420	-	-	-	-	
25	Poles	1,850,616	-	-	-	-	-	1,070,300	365,778	-	-	189,444	225,094	-	-	-	-	
26	Primary Conductor & Eqpt	271,631	-	-	-	-	-	240,936	30,694	-	-	-	-	-	-	-	-	
27	Submarine Conductor	94,774	-	-	-	-	-	94,774	-	-	-	-	-	-	-	-	-	
28	Transformers	542,150	-	-	-	-	-	-	-	195,716	346,434	-	-	-	-	-	-	
29	Secondary Conductor&Eqpt	53,374	-	-	-	-	-	-	-	-	-	31,117	22,257	-	-	-	-	
30	Services	126,517	-	-	-	-	-	-	-	-	-	-	-	126,517	-	-	-	
31	Meters	240,881	-	-	-	-	-	-	-	-	-	-	-	-	240,881	-	-	
32	Street Lighting	128,260	-	-	-	-	-	-	-	-	-	-	-	-	-	128,260	-	
33	Subtotal Distribution	3,542,041	4,515	-	-	-	158,659	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	
34	Subtl Prod, Trans, & Dist	48,746,315	21,583,121	13,982,954	5,791,770	2,405,363	557,071	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	
35	General	5,899,788	2,701,983	1,358,692	525,470	187,044	74,371	381,466	98,947	23,926	42,351	56,770	62,000	25,662	26,978	8,650	203,182	
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	Feasibility Studies	211,264	211,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39	Software - General	852,623	377,511	244,576	101,304	42,072	9,744	25,524	7,053	3,423	6,059	3,966	4,404	2,213	4,213	2,243	18,316	
40	Total Deprecn Expense	55,709,990	24,873,879	15,586,222	6,418,544	2,634,479	641,185	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
								8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)					
1	Average Net Book Value	1,388,595,572	522,978,301	471,212,638	173,681,731	64,397,532	14,363,889	53,049,978	15,242,482	4,127,631	7,306,250	9,117,185	9,963,435	5,472,396	3,301,593	1,287,911	2,199,970	30,892,649
2	Cash Working Capital	6,346,352	2,390,188	2,153,601	793,784	294,319	65,648	242,456	69,663	18,865	33,392	41,669	45,536	25,011	15,089	5,886	10,055	141,190
3	Fuel Inventory - No. 6 Fuel	34,447,050	-	34,447,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	186,223	186,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	3,992,487	3,992,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	24,359,462	9,616,965	7,150,319	3,142,944	1,260,193	275,716	1,120,652	290,682	70,289	124,417	166,775	182,140	75,390	63,758	25,412	68,960	724,851
7	Deferred Charges: Holyrood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	101,711,175	38,306,861	34,515,155	12,721,755	4,716,959	1,052,119	3,885,779	1,116,474	302,339	535,165	667,811	729,797	400,839	241,833	94,336	161,142	2,262,810
9	Total Rate Base	1,559,638,321	577,471,024	549,478,764	190,340,214	70,669,003	15,757,372	58,298,865	16,719,302	4,519,123	7,999,224	9,993,440	10,920,908	5,973,636	3,622,274	1,413,545	2,440,127	34,021,500
10	Less: Rural Asset Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Rate Base Available for Equity Return	1,559,638,321	577,471,024	549,478,764	190,340,214	70,669,003	15,757,372	58,298,865	16,719,302	4,519,123	7,999,224	9,993,440	10,920,908	5,973,636	3,622,274	1,413,545	2,440,127	34,021,500
12	Return on Debt	75,000,125	27,769,515	26,423,419	9,153,109	3,398,342	757,743	2,803,485	804,000	217,316	384,668	480,566	525,166	287,261	174,188	67,975	117,341	1,636,031
13	Return on Equity	29,027,751	10,747,803	10,226,815	3,542,583	1,315,281	293,274	1,085,050	311,177	84,109	148,880	185,996	203,258	111,180	67,417	26,309	45,415	633,203
14	Return on Rate Base	104,027,876	38,517,317	36,650,234	12,695,692	4,713,623	1,051,017	3,888,534	1,115,177	301,426	533,548	666,562	728,425	398,442	241,606	94,283	162,756	2,269,234

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 40
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Demand, Energy ratios Sch.4.1 L.10
4	Fuel Inventory - Diesel	Production - Demand, Energy ratios Sch.4.1 L.12
5	Fuel Inventory - Gas Turbine	Production - Demand, Energy ratios Sch.4.1 L.11
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 40
7	Deferred Charges: Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
9	Total Rate Base	
10	Less: Rural Asset Portion	N/A
11	Rate Base Available for Equity Return	
12	Return on Debt	L.9 x Sch.1.1,p2,L.14
13	Return on Equity	L.11 x Sch.1.1,p2,L.17
14	Return on Rate Base	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (1 CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Rural Prod & Transmission Demand (CP kW)	7-16 Distribution										17 Accounting Customer (Rural Cust)	18 Specifically Assigned Customer
							7 Substations Demand (CP kW)	8 Primary Lines Demand (CP kW) (Rural Cust)		9 Line Transformers Demand (CP kW) (Rural Cust)		10 Secondary Lines Demand (CP kW) (Rural Cust)		11 Services Customer (Wtd Rural Cust)	12 Meters Customer	13 Street Lighting Customer		
Amounts																		
1	Newfoundland Power	-	1,296,985	6,118,065	1,288,081	-	-	-	-	-	-	-	-	-	-	-	-	
2	Industrial - Firm	-	75,597	641,746	73,040	-	-	-	-	-	-	-	-	-	-	-	-	
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
4	1.1 Domestic	-	24,404	123,746	23,579	23,579	22,367	22,367	11,538	20,572	11,538	20,572	11,538	11,538	11,538	-	11,538	-
5	1.12 Domestic All Electric	-	32,264	158,460	31,173	31,173	29,571	29,571	8,236	27,197	8,236	27,197	8,236	8,236	8,236	-	8,236	-
6	1.3 Special	-	103	389	99	99	94	94	1	87	1	87	1	1	1	-	1	-
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.2 GS 10-100 kW	-	14,958	85,347	14,452	14,452	13,709	13,709	2,908	12,609	2,908	12,609	2,908	13,871	13,871	-	2,908	-
9	2.3 GS 110-1,000 kVa	-	12,610	67,875	12,184	12,184	11,558	11,558	92	10,589	92	10,589	92	774	774	-	92	-
10	2.4 GS Over 1,000 kVa	-	6,505	40,115	6,285	6,285	5,962	5,962	8	3,987	8	3,987	8	67	67	-	8	-
11	4.1 Street and Area Lighting	-	791	3,157	765	765	725	725	947	667	947	667	947	-	-	1	947	-
12	Subtotal Rural	-	91,636	479,089	88,537	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	-
13	Total	-	1,464,218	7,238,900	1,449,658	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	-
Ratios Excluding Return on Equity																		
14	Newfoundland Power	-	0.8858	0.8452	0.8885	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Industrial - Firm	-	0.0516	0.0887	0.0504	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural																		
17	1.1 Domestic	-	0.0167	0.0171	0.0163	0.2663	0.2663	0.2663	0.4862	0.2717	0.4862	0.2717	0.4862	0.3346	0.3346	-	0.4862	-
18	1.12 Domestic All Electric	-	0.0220	0.0219	0.0215	0.3521	0.3521	0.3521	0.3471	0.3592	0.3471	0.3592	0.3471	0.2388	0.2388	-	0.3471	-
19	1.3 Special	-	0.0001	0.0001	0.0001	0.0011	0.0011	0.0011	0.0000	0.0011	0.0000	0.0011	0.0000	0.0000	0.0000	-	0.0000	-
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.2 GS 10-100 kW	-	0.0102	0.0118	0.0100	0.1632	0.1632	0.1632	0.1225	0.1665	0.1225	0.1665	0.1225	0.4022	0.4022	-	0.1225	-
22	2.3 GS 110-1,000 kVa	-	0.0086	0.0094	0.0084	0.1376	0.1376	0.1376	0.0039	0.1399	0.0039	0.1399	0.0039	0.0224	0.0224	-	0.0039	-
23	2.4 GS Over 1,000 kVa	-	0.0044	0.0055	0.0043	0.0710	0.0710	0.0710	0.0003	0.0527	0.0003	0.0527	0.0003	0.0020	0.0020	-	0.0003	-
24	4.1 Street and Area Lighting	-	0.0005	0.0004	0.0005	0.0086	0.0086	0.0086	0.0399	0.0088	0.0399	0.0088	0.0399	-	-	1.0000	0.0399	-
25	Subtotal Rural	-	0.0626	0.0662	0.0611	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-
26	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D)

Line No.	1 Description	19 20 Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	Newfoundland Power	-	447,430,477
2	Industrial - Firm	-	16,126,195
3	Industrial - Non-Firm	-	4,881
Rural			
4	1.1 Domestic	13,662,764	13,662,764
5	1.12 Domestic All Electric	17,059,306	17,059,306
6	1.3 Special	19,235	19,235
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	9,534,018	9,534,018
9	2.3 GS 110-1,000 kVa	6,258,109	6,258,109
10	2.4 GS Over 1,000 kVa	3,348,569	3,348,569
11	4.1 Street and Area Lighting	1,030,113	1,030,113
12	Subtotal Rural	50,912,113	50,912,113
13	Total	50,912,113	514,473,667
Ratios Excluding Return on Equity			
14	Newfoundland Power	-	0.8697
15	Industrial - Firm	-	0.0313
16	Industrial - Non-Firm	-	0.0000
Rural			
17	1.1 Domestic	0.2684	0.0266
18	1.12 Domestic All Electric	0.3351	0.0332
19	1.3 Special	0.0004	0.0000
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	0.1873	0.0185
22	2.3 GS 110-1,000 kVa	0.1229	0.0122
23	2.4 GS Over 1,000 kVa	0.0658	0.0065
24	4.1 Street and Area Lighting	0.0202	0.0020
25	Subtotal Rural	1.0000	0.0990
26	Total	1.0000	1.0000

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2A

Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service

Line No.	1	2	3	4	5	6	12											17	18						
							Total Amount	Production Demand	Transmission Energy	Transmission Demand	Transmission Demand	Rural Prod & Transmission Demand	Distribution												
													Substations Demand	Primary Lines Demand		Line Transformers Demand				Secondary Lines Demand		Services Customer	Meters Customer	Street Lighting Customer	Accounting Customer
Description																									
Allocated Rev Reqmt Excl Return																									
1	Newfoundland Power	285,787,141	83,150,366	184,484,885	15,135,188	-	-	-	-	-	-	-	-	-	-	-	-	2,402,102							
2	Industrial - Firm	26,303,999	4,846,554	19,351,278	858,233	-	-	-	-	-	-	-	-	-	-	-	-	1,225,782							
3	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Rural																									
4	1.1 Domestic	14,920,075	1,564,581	3,731,445	277,058	1,928,558	529,388	2,065,825	963,113	174,020	551,168	311,583	604,906	202,305	239,412	-	1,395,694	-							
5	1.12 Domestic All Electric	17,135,857	2,068,479	4,778,226	366,289	2,549,681	699,886	2,731,157	687,515	230,066	393,449	411,933	431,810	144,415	170,903	-	996,311	-							
6	1.3 Special	41,446	6,585	11,731	1,166	8,117	2,228	8,695	83	732	48	1,311	52	18	21	-	121	-							
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
8	2.2 GS 10-100 kW	8,455,437	958,957	2,573,568	169,813	1,182,044	324,470	1,266,177	242,734	106,660	138,911	190,974	152,455	243,215	287,825	-	351,757	-							
9	2.3 GS 110-1,000 kVa	5,818,001	808,460	2,046,704	143,163	996,537	273,549	1,067,466	7,676	89,572	4,393	160,378	4,821	13,575	16,065	-	11,123	-							
10	2.4 GS Over 1,000 kVa	3,098,939	417,064	1,209,632	73,854	514,088	141,117	550,679	668	33,724	382	60,383	419	1,181	1,398	-	968	-							
11	4.1 Street and Area Lighting	924,091	50,729	95,211	8,983	62,530	17,165	66,981	79,052	5,642	45,240	10,103	49,651	-	-	289,519	114,559	-							
12	Subtotal Rural	50,393,846	5,874,854	14,446,518	1,040,326	7,241,555	1,987,802	7,756,980	1,980,841	640,417	1,133,591	1,146,665	1,244,115	604,708	715,624	289,519	2,870,533	-							
13	Total	362,484,993	93,871,774	218,282,681	17,033,747	7,241,555	1,987,802	7,756,980	1,980,841	640,417	1,133,591	1,146,665	1,244,115	604,708	715,624	289,519	2,870,533	3,627,885							
Allocated Return on Debt																									
14	Newfoundland Power	56,400,318	24,597,866	22,332,149	8,132,915	-	-	-	-	-	-	-	-	-	-	-	-	1,337,388							
15	Industrial - Firm	4,536,042	1,433,727	2,342,499	461,173	-	-	-	-	-	-	-	-	-	-	-	-	298,643							
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Rural																									
17	1.1 Domestic	4,151,232	462,840	451,697	148,877	905,040	201,801	746,619	390,916	59,051	187,031	130,584	255,343	96,103	58,275	-	57,053	-							
18	1.12 Domestic All Electric	4,834,020	611,906	578,411	196,826	1,196,523	266,794	987,080	279,054	78,070	133,511	172,641	182,276	68,603	41,599	-	40,727	-							
19	1.3 Special	12,684	1,948	1,420	627	3,809	849	3,142	34	249	16	550	22	8	5	-	5	-							
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
21	2.2 GS 10-100 kW	2,348,701	283,682	311,534	91,249	554,714	123,687	457,615	98,523	36,193	47,137	80,037	64,354	115,537	70,059	-	14,379	-							
22	2.3 GS 110-1,000 kVa	1,636,642	239,162	247,756	76,929	467,658	104,276	385,798	3,115	30,395	1,491	67,214	2,035	6,449	3,910	-	455	-							
23	2.4 GS Over 1,000 kVa	841,829	123,377	146,428	39,686	241,253	53,793	199,023	271	11,444	130	25,306	177	561	340	-	40	-							
24	4.1 Street and Area Lighting	238,658	15,007	11,525	4,827	29,344	6,543	24,208	32,086	1,915	15,352	4,234	20,959	-	-	67,975	4,683	-							
25	Subtotal Rural	14,063,766	1,737,922	1,748,771	559,021	3,398,342	757,743	2,803,485	804,000	217,316	384,668	480,566	525,166	287,261	174,188	67,975	117,341	-							
26	Total	75,000,125	27,769,515	26,423,419	9,153,109	3,398,342	757,743	2,803,485	804,000	217,316	384,668	480,566	525,166	287,261	174,188	67,975	117,341	1,636,031							
Allocated Return on Equity																									
27	Newfoundland Power	21,828,955	9,520,260	8,643,346	3,147,731	-	-	-	-	-	-	-	-	-	-	-	-	517,617							
28	Industrial - Firm	1,755,612	554,904	906,631	178,491	-	-	-	-	-	-	-	-	-	-	-	-	115,586							
29	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Rural																									
30	1.1 Domestic	1,606,676	179,136	174,823	57,621	350,283	78,104	288,969	151,299	22,855	72,388	50,541	98,827	37,195	22,554	-	22,082	-							
31	1.12 Domestic All Electric	1,870,940	236,829	223,866	76,179	463,098	103,259	382,035	108,004	30,216	51,674	66,818	70,547	26,552	16,100	-	15,763	-							
32	1.3 Special	4,909	754	550	243	1,474	329	1,216	13	96	6	213	9	3	2	-	2	-							
33	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
34	2.2 GS 10-100 kW	909,032	109,795	120,575	35,317	214,694	47,871	177,113	38,132	14,008	18,244	30,977	24,907	44,717	27,115	-	5,565	-							
35	2.3 GS 110-1,000 kVa	633,439	92,564	95,891	29,774	181,001	40,358	149,318	1,206	11,764	577	26,014	788	2,496	1,513	-	176	-							
36	2.4 GS Over 1,000 kVa	325,818	47,752	56,673	15,360	93,374	20,820	77,029	105	4,429	50	9,794	69	217	132	-	15	-							
37	4.1 Street and Area Lighting	92,369	5,808	4,461	1,868	11,357	2,532	9,369	12,419	741	5,942	1,639	8,112	-	-	26,309	1,812	-							
38	Subtotal Rural	5,443,184	672,639	676,837	216,361	1,315,281	293,274	1,085,050	311,177	84,109	148,880	185,996	203,258	111,180	67,417	26,309	45,415	-							
39	Total	29,027,751	10,747,803	10,226,815	3,542,583	1,315,281	293,274	1,085,050	311,177	84,109	148,880	185,996	203,258	111,180	67,417	26,309	45,415	633,203							

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2A
Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	19	20
		Revenue Related	
		Municipal Tax	PUB Assessment
	Allocated Rev Reqmt Excl Return		(\$)
1	Newfoundland Power	-	614,601
2	Industrial - Firm	-	22,151
3	Industrial - Non-Firm	-	7
	Rural		
4	1.1 Domestic	362,250	18,767
5	1.12 Domestic All Electric	452,305	23,433
6	1.3 Special	510	26
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	252,782	13,096
9	2.3 GS 110-1,000 kVa	165,925	8,596
10	2.4 GS Over 1,000 kVa	88,783	4,600
11	4.1 Street and Area Lighting	27,312	1,415
12	Subtotal Rural	1,349,866	69,934
13	Total	1,349,866	706,693
	Allocated Return on Debt		
14	Newfoundland Power	-	-
15	Industrial - Firm	-	-
16	Industrial - Non-Firm	-	-
	Rural		
17	1.1 Domestic	-	-
18	1.12 Domestic All Electric	-	-
19	1.3 Special	-	-
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	-	-
22	2.3 GS 110-1,000 kVa	-	-
23	2.4 GS Over 1,000 kVa	-	-
24	4.1 Street and Area Lighting	-	-
25	Subtotal Rural	-	-
26	Total	-	-
	Allocated Return on Equity		
27	Newfoundland Power	-	-
28	Industrial - Firm	-	-
29	Industrial - Non-Firm	-	-
	Rural		
30	1.1 Domestic	-	-
31	1.12 Domestic All Electric	-	-
32	1.3 Special	-	-
33	2.1 GS 0-10 kW	-	-
34	2.2 GS 10-100 kW	-	-
35	2.3 GS 110-1,000 kVa	-	-
36	2.4 GS Over 1,000 kVa	-	-
37	4.1 Street and Area Lighting	-	-
38	Subtotal Rural	-	-
39	Total	-	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Allocation of Functionalized Amounts to Classes of Service (CONT'D.)																Specifically Assigned Customer (\$)	
		Total Amount (\$)	Production Demand (\$)	Production and Transmission (\$)		Rural Prod & Transmission Demand (\$)	Distribution												Accounting Customer (\$)
				Transmission Demand (\$)	Energy (\$)		Substations Demand (\$)	Primary Lines (\$)		Line Transformers (\$)		Secondary Lines (\$)		Services Customer (\$)	Meters Customer (\$)	Street Lighting (\$)			
40	Newfoundland Power	364,016,414	117,268,492	215,460,380	26,415,835	-	-	-	-	-	-	-	-	-	-	-	-	4,257,107	
41	Industrial - Firm	32,595,652	6,835,184	22,600,409	1,497,897	-	-	-	-	-	-	-	-	-	-	-	-	1,640,011	
42	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
43	1.1 Domestic	20,677,983	2,206,557	4,357,965	483,556	3,183,882	809,293	3,101,413	1,505,328	255,926	810,587	492,707	959,077	335,604	320,241	-	1,474,828	-	
44	1.12 Domestic All Electric	23,840,817	2,917,214	5,580,503	639,293	4,209,302	1,069,939	4,100,272	1,074,573	338,352	578,634	651,392	684,633	239,570	228,603	-	1,052,801	-	
45	1.3 Special	59,039	9,287	13,701	2,035	13,401	3,406	13,053	130	1,077	70	2,074	83	29	28	-	128	-	
46	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
47	2.2 GS 10-100 kW	11,713,170	1,352,434	3,005,676	296,379	1,951,452	496,029	1,900,906	379,388	156,861	204,292	301,988	241,716	403,469	384,999	-	371,702	-	
48	2.3 GS 110-1,000 kVa	8,088,083	1,140,186	2,390,350	249,866	1,645,195	418,183	1,602,581	11,997	131,731	6,460	253,607	7,644	22,519	21,488	-	11,754	-	
49	2.4 GS Over 1,000 kVa	4,266,586	588,193	1,412,733	128,900	848,714	215,730	826,731	1,044	49,597	562	95,484	665	1,959	1,870	-	1,023	-	
50	4.1 Street and Area Lighting	1,255,118	71,544	111,198	15,678	103,232	26,240	100,558	123,558	8,298	66,533	15,975	78,721	-	-	383,802	121,054	-	
51	Subtotal Rural	69,900,796	8,285,415	16,872,126	1,815,708	11,955,178	3,038,819	11,645,514	3,096,018	941,842	1,667,139	1,813,227	1,972,539	1,003,149	957,230	383,802	3,033,289	-	
52	Total	466,512,869	132,389,091	254,932,914	29,729,440	11,955,178	3,038,819	11,645,514	3,096,018	941,842	1,667,139	1,813,227	1,972,539	1,003,149	957,230	383,802	3,033,289	5,897,119	
Re-classification of Revenue-Related																			
53	Newfoundland Power	-	198,329	364,396	44,676	-	-	-	-	-	-	-	-	-	-	-	-	-	7,200
54	Industrial - Firm	-	4,648	15,369	1,019	-	-	-	-	-	-	-	-	-	-	-	-	-	1,115
55	Industrial - Non-Firm	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural																			
56	1.1 Domestic	(0)	41,422	81,808	9,077	59,768	15,192	58,220	28,258	4,804	15,216	9,249	18,004	6,300	6,012	-	27,686	-	
57	1.12 Domestic All Electric	-	59,398	113,625	13,017	85,706	21,785	83,486	21,879	6,889	11,782	13,263	13,940	4,878	4,655	-	21,436	-	
58	1.3 Special	(0)	85	126	19	123	31	120	1	10	1	19	1	0	0	-	1	-	
59	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60	2.2 GS 10-100 kW	(0)	31,412	69,811	6,884	45,325	11,521	44,151	8,812	3,643	4,745	7,014	5,614	9,371	8,942	-	8,633	-	
61	2.3 GS 110-1,000 kVa	0	25,145	52,716	5,510	36,282	9,222	35,343	265	2,905	142	5,593	169	497	474	-	259	-	
62	2.4 GS Over 1,000 kVa	0	13,162	31,612	2,884	18,991	4,827	18,500	23	1,110	13	2,137	15	44	42	-	23	-	
63	4.1 Street and Area Lighting	-	1,676	2,605	367	2,418	615	2,355	2,894	194	1,558	374	1,844	-	-	8,990	2,836	-	
64	Subtotal Rural	(0)	172,299	352,302	37,759	248,614	63,194	242,174	62,133	19,556	33,457	37,649	39,586	21,090	20,124	8,990	60,874	-	
65	Total	(7)	375,277	732,067	83,453	248,614	63,194	242,174	62,133	19,556	33,457	37,649	39,586	21,090	20,124	8,990	60,874	8,315	
Total Allocated Revenue Requirement																			
66	Newfoundland Power	364,016,414	117,466,821	215,824,776	26,460,510	-	-	-	-	-	-	-	-	-	-	-	-	-	4,264,307
67	Industrial - Firm	32,595,652	6,839,833	22,615,778	1,498,916	-	-	-	-	-	-	-	-	-	-	-	-	-	1,641,127
68	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural																			
69	1.1 Domestic	20,677,983	2,247,979	4,439,773	492,634	3,243,650	824,485	3,159,633	1,533,586	260,731	825,803	501,957	977,081	341,904	326,253	-	1,502,514	-	
70	1.12 Domestic All Electric	23,840,817	2,976,612	5,694,128	652,310	4,295,007	1,091,724	4,183,758	1,096,452	345,241	590,416	664,655	698,573	244,447	233,258	-	1,074,237	-	
71	1.3 Special	59,039	9,372	13,827	2,054	13,523	3,437	13,173	132	1,087	71	2,093	84	29	28	-	129	-	
72	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
73	2.2 GS 10-100 kW	11,713,170	1,383,846	3,075,487	303,263	1,996,777	507,549	1,945,056	388,200	160,505	209,037	309,002	247,331	412,840	393,942	-	380,335	-	
74	2.3 GS 110-1,000 kVa	8,088,083	1,165,331	2,443,066	255,377	1,681,477	427,405	1,637,924	12,262	134,636	6,603	259,200	7,812	23,016	21,962	-	12,013	-	
75	2.4 GS Over 1,000 kVa	4,266,586	601,355	1,444,345	131,784	867,706	220,557	845,230	1,067	50,707	575	97,620	680	2,003	1,911	-	1,046	-	
76	4.1 Street and Area Lighting	1,255,118	73,220	113,802	16,046	105,650	26,855	102,913	126,452	8,492	68,092	16,349	80,565	-	-	392,792	123,890	-	
77	Subtotal Rural	69,900,796	8,457,714	17,224,428	1,853,466	12,203,791	3,102,013	11,887,688	3,158,151	961,398	1,700,596	1,850,876	2,012,125	1,024,239	977,354	392,792	3,094,163	-	
78	Total	466,512,863	132,764,368	255,664,981	29,812,892	12,203,791	3,102,013	11,887,688	3,158,151	961,398	1,700,596	1,850,876	2,012,125	1,024,239	977,354	392,792	3,094,163	5,905,434	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal Tax	PUB Assessment	
		19	20	
	Total Revenue Requirement			
40	Newfoundland Power	-	614,601	
41	Industrial - Firm	-	22,151	
42	Industrial - Non-Firm	-	7	
	Rural			
43	1.1 Domestic	362,250	18,767	
44	1.12 Domestic All Electric	452,305	23,433	
45	1.3 Special	510	26	
46	2.1 GS 0-10 kW	-	-	
47	2.2 GS 10-100 kW	252,782	13,096	
48	2.3 GS 110-1,000 kVa	165,925	8,596	
49	2.4 GS Over 1,000 kVa	88,783	4,600	
50	4.1 Street and Area Lighting	27,312	1,415	
51	Subtotal Rural	1,349,866	69,934	
52	Total	1,349,866	706,693	
	Re-classification of Revenue-Related			
53	Newfoundland Power	-	(614,601)	Re-classification to demand, energy and customer is based on rate class revenue
54	Industrial - Firm	-	(22,151)	requirements excluding revenue-related items.
55	Industrial - Non-Firm	-	(7)	
	Rural			
56	1.1 Domestic	(362,250)	(18,767)	
57	1.12 Domestic All Electric	(452,305)	(23,433)	
58	1.3 Special	(510)	(26)	
59	2.1 GS 0-10 kW	-	-	
60	2.2 GS 10-100 kW	(252,782)	(13,096)	
61	2.3 GS 110-1,000 kVa	(165,925)	(8,596)	
62	2.4 GS Over 1,000 kVa	(88,783)	(4,600)	
63	4.1 Street and Area Lighting	(27,312)	(1,415)	
64	Subtotal Rural	(1,349,866)	(69,934)	
65	Total	(1,349,866)	(706,693)	
	Total Allocated Revenue Requirement			
66	Newfoundland Power	-	-	
67	Industrial - Firm	-	-	
68	Industrial - Non-Firm	-	-	
	Rural			
69	1.1 Domestic	-	-	
70	1.12 Domestic All Electric	-	-	
71	1.3 Special	-	-	
72	2.1 GS 0-10 kW	-	-	
73	2.2 GS 10-100 kW	-	-	
74	2.3 GS 110-1,000 kVa	-	-	
75	2.4 GS Over 1,000 kVa	-	-	
76	4.1 Street and Area Lighting	-	-	
77	Subtotal Rural	-	-	
78	Total	-	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Allocation of Specifically Assigned Amounts to Classes of Service

Line No.	Description	Total Amount (\$)	OM&A				Depreciation				Expense Credits		Gains/Losses (\$)	Subtotal Excluding Return (\$)	Return on Debt (\$)	Return on Equity (\$)	Subtotal Excl Rev Related (\$)	Revenue Related (\$)
			Transmission Lines (\$)	Terminals (\$)	Administrative & General (\$)	Other (\$)	Transmission Lines (\$)	Terminals (\$)	Telecontrol & Feasibility Study (\$)	General (\$)	Income (\$)	Other (\$)						
			(Plant)	(Plant)	(C3 & C4)	(C3 & C4)	(Direct)	(Direct)	(Direct)	(Exp C3,4,6)	(Plant)	(C6)	(NBV)		(NBV)	(NBV)		
Basis of Allocation - Amounts																		
1	Newfoundland Power		25,304,070	13,005,806	38,309,875	38,309,875	-	-	-	743,804	38,309,875	38,309,875	24,090,999	-	24,090,999	24,090,999	-	-
Industrial																		
2	Vale		6,554,033	4,509,884	11,063,917	11,063,917	-	-	-	223,726	11,063,917	11,063,917	303,962	-	303,962	303,962	-	-
3	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corner Brook P&P - CB		-	7,052,376	7,052,376	7,052,376	-	-	-	192,018	7,052,376	7,052,376	4,753,752	-	4,753,752	4,753,752	-	-
5	Corner Brook P&P - DL		-	19,788	19,788	19,788	-	-	-	539	19,788	19,788	11,393	-	11,393	11,393	-	-
6	North Atlantic Refining Limited		-	1,127,618	1,127,618	1,127,618	-	-	-	30,702	1,127,618	1,127,618	310,497	-	310,497	310,497	-	-
7	Teck Resources		4,534,363	909,953	5,444,315	5,444,315	-	-	-	94,606	5,444,315	5,444,315	0	-	0	0	-	-
8	Subtotal Industrial		11,088,396	13,619,619	24,708,015	24,708,015	-	-	-	541,591	24,708,015	24,708,015	5,379,604	-	5,379,604	5,379,604	-	-
9	Total		36,392,465	26,625,425	63,017,890	63,017,890	-	-	-	1,285,395	63,017,890	63,017,890	29,470,603	-	29,470,603	29,470,603	-	-
Basis of Allocation - Ratios																		
11	Newfoundland Power		0.6953	0.4885	0.6079	0.6079	-	-	-	0.5787	0.6079	0.6079	0.8175	-	0.8175	0.8175	-	-
Industrial																		
12	Vale		0.1801	0.1694	0.1756	0.1756	-	-	-	0.1741	0.1756	0.1756	0.0103	-	0.0103	0.0103	-	-
13	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Corner Brook P&P - CB		-	0.2649	0.1119	0.1119	-	-	-	0.1494	0.1119	0.1119	0.1613	-	0.1613	0.1613	-	-
15	Corner Brook P&P - DL		-	0.0007	0.0003	0.0003	-	-	-	0.0004	0.0003	0.0003	0.0004	-	0.0004	0.0004	-	-
16	North Atlantic Refining Ltd.		-	0.0424	0.0179	0.0179	-	-	-	0.0239	0.0179	0.0179	0.0105	-	0.0105	0.0105	-	-
17	Teck Resources		0.1246	0.0342	0.0864	0.0864	-	-	-	0.0736	0.0864	0.0864	0.0000	-	0.0000	0.0000	-	-
18	Subtotal Industrial		0.3047	0.5115	0.3921	0.3921	-	-	-	0.4213	0.3921	0.3921	0.1825	-	0.1825	0.1825	-	-
19	Total		1.0000	1.0000	1.0000	1.0000	-	-	-	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	-	-
Amounts Allocated																		
20	Newfoundland Power	4,264,307	288,942	302,333	662,629	152,528	616,408	241,978	-	81,366	(325)	(8,423)	64,664	2,402,102	1,337,388	517,617	4,257,107	7,200
Industrial																		
21	Vale	474,752	74,839	104,837	191,368	44,050	-	13,167	-	24,474	(94)	(2,432)	816	451,025	16,874	6,531	474,430	323
22	Abitibi Consolidated - GF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Corner Brook P&P - CB	875,938	-	163,940	121,982	28,079	-	163,149	-	21,005	(60)	(1,551)	12,760	509,304	263,900	102,139	875,342	595
24	Corner Brook P&P - DL	2,788	-	460	342	79	-	943	-	59	(0)	(4)	31	1,909	632	245	2,786	2
25	North Atlantic Refining Ltd.	89,634	-	26,213	19,504	4,490	-	11,524	-	3,359	(10)	(248)	833	65,665	17,237	6,671	89,573	61
26	Teck Resources	198,015	51,777	21,153	94,168	21,676	-	-	-	10,349	(46)	(1,197)	0	197,880	0	0	197,880	135
27	Subtotal Industrial	1,641,127	126,616	316,602	427,364	98,373	-	188,783	-	59,246	(209)	(5,432)	14,440	1,225,782	298,643	115,586	1,640,011	1,115
28	Total	5,905,434	415,559	618,935	1,089,993	250,902	616,408	430,761	-	140,612	(534)	(13,855)	79,104	3,627,885	1,636,031	633,203	5,897,119	8,315

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.1B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Customer (\$)	Customer (\$)	10 Demand (\$)	Customer (\$)	12 Demand (\$)	Customer (\$)					
Expenses																	
1	Operating & Maintenance	5,577,529	1,834,820	2,283,549	-	12,347	602,326	180,881	47,609	84,272	109,078	118,690	55,031	26,725	15,338	165,583	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	2,201,312	-	2,201,312	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	202,500	-	202,500	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-
Expense Credits																	
8	Sundry	(28,147)	(9,259)	(11,524)	-	(62)	(3,040)	(913)	(240)	(425)	(550)	(599)	(278)	(135)	(77)	(836)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(4,385)	(1,442)	(1,795)	-	(10)	(474)	(142)	(37)	(66)	(86)	(93)	(43)	(21)	(12)	(130)	-
12	Pole Attachments	(24,203)	-	-	-	-	(13,998)	(4,784)	-	-	(2,478)	(2,944)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(168)	-	-	-	-	-	-	-	-	-	-	-	-	-	(168)	-
16	Meter Test Revenues	(57)	-	-	-	-	-	-	-	-	-	-	-	(57)	-	-	-
17	Total Expense Credits	(56,960)	(10,702)	(13,319)	-	(72)	(17,511)	(5,839)	(278)	(492)	(3,114)	(3,636)	(321)	(213)	(89)	(1,134)	-
18	Subtotal Expenses	8,463,569	2,006,023	4,900,895	-	13,872	638,334	192,153	54,290	96,098	115,483	125,881	59,273	33,436	19,252	167,539	-
19	Disposal Gain / Loss	133,059	41,400	51,401	-	410	18,338	5,794	1,562	2,765	3,356	3,751	2,355	1,007	448	472	-
20	Subtotal Revenue Requirement Ex. Return	8,596,628	2,047,423	4,952,296	-	14,282	656,671	197,947	55,853	98,864	118,839	129,632	61,628	34,444	19,699	168,010	-
21	Return on Debt	602,881	185,377	238,123	-	1,825	81,753	25,807	6,956	12,313	14,961	16,712	10,447	4,488	1,997	2,121	-
22	Return on Equity	233,336	71,748	92,162	-	706	31,641	9,988	2,692	4,765	5,790	6,468	4,043	1,737	773	821	-
23	Total Revenue Requirement	9,432,845	2,304,547	5,282,581	-	16,814	770,065	233,742	65,501	115,942	139,591	152,812	76,119	40,669	22,470	170,952	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.1B
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	18		19	20
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
	Expenses				
1	Operating & Maintenance	39,247	2,033	Carryforward from Sch.2.4 L.24	
2	Fuels	-	-	Production - Energy	
3	Fuels-Diesel	-	-	Production - Energy	
4	Fuels-Gas Turbine	-	-	Production - Energy	
5	Power Purchases -CF(L)Co	-	-		
6	Power Purchases-Other	-	-		
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23	
	Expense Credits				
8	Sundry	(198)	(10)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17	
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
11	Suppliers' Discounts	(31)	(2)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
13	Secondary Energy Revenues	-	-	Production - Energy	
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16	
15	Application Fees	-	-	Accounting - Customer	
16	Meter Test Revenues	-	-	Meters - Customer	
17	Total Expense Credits	(229)	(12)		
18	Subtotal Expenses	39,018	2,021		
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23	
20	Subtotal Revenue Requirement Ex. Return	39,018	2,021		
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8	
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10	
23	Total Revenue Requirement	39,018	2,021		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	253,721	201,749	-	-	51,973	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	76,483	-	-	-	-	57,665	7,346	-	-	6,688	4,784	-	-	-	-	
8	Poles	3,549,836	-	-	-	-	2,053,041	701,632	-	-	363,390	431,774	-	-	-	-	
9	Primary Conductor & Equipment	489,822	-	-	-	-	434,472	55,350	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	557,274	-	-	-	-	-	-	201,176	356,098	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	155,817	-	-	-	-	-	-	-	-	90,841	64,976	-	-	-	-	
13	Services	232,537	-	-	-	-	-	-	-	-	-	-	232,537	-	-	-	
14	Meters	138,516	-	-	-	-	-	-	-	-	-	-	-	138,516	-	-	
15	Street Lighting	64,813	-	-	-	-	-	-	-	-	-	-	-	-	64,813	-	
16	Subtotal Distribution	5,518,820	201,749	-	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
17	Subttl Prod, Trans, & Dist	20,642,259	6,840,817	8,484,371	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
18	General	2,438,631	866,586	1,088,920	-	3,735	182,919	54,931	14,458	25,592	33,126	36,045	16,712	6,193	4,658	104,756	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	43,181	14,310	17,748	-	109	5,324	1,599	421	745	964	1,049	486	290	136	-	
22	Software - Cust Actgng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	23,124,070	7,721,713	9,591,040	-	55,817	2,733,420	820,858	216,055	382,436	495,009	538,627	249,735	144,999	69,606	104,756	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.2B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Island Isolated
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONTD.)

1	18	
Line No.	Description	Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.6
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.3B

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)			
Production																	
1	Diesel	6,982,070	3,065,072	3,916,998	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	6,982,070	3,065,072	3,916,998	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	126,876	93,751	-	-	33,125	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	50,783	-	-	-	-	38,288	4,878	-	-	4,441	3,176	-	-	-	-	
8	Poles	2,252,619	-	-	-	-	1,302,798	445,235	-	-	230,596	273,991	-	-	-	-	
9	Primary Conductor & Equipment	151,390	-	-	-	-	134,283	17,107	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	349,358	-	-	-	-	-	-	126,118	223,240	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	60,286	-	-	-	-	-	-	-	-	35,146	25,139	-	-	-	-	
13	Services	192,060	-	-	-	-	-	-	-	-	-	-	192,060	-	-	-	
14	Meters	82,512	-	-	-	-	-	-	-	-	-	-	-	82,512	-	-	
15	Street Lighting	35,944	-	-	-	-	-	-	-	-	-	-	-	-	35,944	-	
16	Subtotal Distribution	3,301,827	93,751	-	-	33,125	1,475,368	467,219	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
17	Subttl Prod, Trans, & Dist	10,283,897	3,158,824	3,916,998	-	33,125	1,475,368	467,219	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
18	General	928,037	329,785	414,396	-	1,421	69,611	20,904	5,502	9,739	12,606	13,717	6,360	2,357	1,773	39,866	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	34,155	10,491	13,009	-	110	4,900	1,552	419	741	897	1,004	638	274	119	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	11,246,089	3,499,100	4,344,403	-	34,656	1,549,879	489,676	132,039	233,720	283,687	317,027	199,058	85,143	37,836	39,866	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)				
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10	11			12	13	14	15
Production																					
1	Diesel	2,130,539	935,289	1,195,250	-	-	-	-	-	-	-	-	-	-	-	-	-				
2	Other	314,161	137,914	176,247	-	-	-	-	-	-	-	-	-	-	-	-	-				
3	Subtotal Production	2,444,700	1,073,204	1,371,497	-	-	-	-	-	-	-	-	-	-	-	-	-				
Transmission																					
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Distribution																					
8	Other	487,018	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	-	5,867	-	-				
9	Meters	7,800	-	-	-	-	-	-	-	-	-	-	-	7,800	-	-	-				
10	Subtotal Distribution	494,818	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-				
11	Subttl Prod, Trans, & Dist	2,939,518	1,091,466	1,371,497	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-				
12	Customer Accounting	131,940	-	-	-	-	-	-	-	-	-	-	-	-	-	131,940	-				
Administrative & General:																					
Plant-Related:																					
13	Production	668,726	293,565	375,160	-	-	-	-	-	-	-	-	-	-	-	-	-				
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
15	Distribution	571,487	20,892	-	-	5,382	263,559	79,148	20,832	36,875	47,729	51,935	24,080	14,344	6,712	-	-				
16	Prod, Trans, Distn Plant	356,326	118,086	146,457	-	897	43,935	13,194	3,473	6,147	7,956	8,657	4,014	2,391	1,119	-	-				
17	Prod, Trans, Distn and Gen Plt	3,528	1,178	1,463	-	9	417	125	33	58	76	82	38	22	11	16	-				
18	Property Insurance	16,396	7,093	8,810	-	51	168	51	13	24	30	33	15	6	4	96	-				
Revenue Related:																					
19	Municipal Tax	39,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
20	PUB Assessment	2,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
21	All Expense-Related	780,557	277,377	348,542	-	1,196	58,549	17,582	4,628	8,192	10,603	11,537	5,349	1,982	1,491	33,530	-				
22	Prod, Trans, and Distn Expense-Related	67,771	25,164	31,620	-	108	5,312	1,595	420	743	962	1,047	485	180	135	-	-				
23	Subtotal Admin & General	2,506,070	743,354	912,053	-	7,643	371,939	111,695	29,399	52,038	67,356	73,292	33,982	18,925	9,471	33,643	-				
24	Total Operating & Maintenance Expenses	5,577,529	1,834,820	2,283,549	-	12,347	602,326	180,881	47,609	84,272	109,078	118,690	55,031	26,725	15,338	165,583	-				

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19		20 Basis of Functional Classification
		Revenue Related		
		Municipal Tax	PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L6
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Disln Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Disln and Gen Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	39,247	-	Revenue-related
20	PUB Assessment	-	2,033	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Disln Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>39,247</u>	<u>2,033</u>	
24	Total Operating & Maintenance Expenses	<u><u>39,247</u></u>	<u><u>2,033</u></u>	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.5B

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		12 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
6	Substn Struct & Eqpt	5,357	3,895	-	-	1,461	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	1,458	-	-	-	-	1,100	140	-	-	128	91	-	-	-	-	-
8	Poles	74,203	-	-	-	-	42,915	14,666	-	-	7,596	9,025	-	-	-	-	-
9	Primary Conductor & Equipment	3,700	-	-	-	-	3,282	418	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	17,784	-	-	-	-	-	-	6,420	11,364	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	1,151	-	-	-	-	-	-	-	-	671	480	-	-	-	-	-
13	Services	4,000	-	-	-	-	-	-	-	-	-	-	4,000	-	-	-	-
14	Meters	6,626	-	-	-	-	-	-	-	-	-	-	-	6,626	-	-	-
15	Street Lighting	3,799	-	-	-	-	-	-	-	-	-	-	-	-	3,799	-	-
16	Subtotal Distribution	118,079	3,895	-	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
17	Subtotal Prod Tran & Dist	459,228	153,657	191,388	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
18	General	71,927	25,560	32,118	-	110	5,395	1,620	426	755	977	1,063	493	183	137	3,090	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	8,032	2,688	3,348	-	26	827	266	112	199	147	168	70	116	66	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Depreciation Expense	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		12 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
1	Average Net Book Value	11,246,089	3,499,100	4,344,403	-	34,656	1,549,879	489,676	132,039	233,720	283,687	317,027	199,058	85,143	37,836	39,866	-
2	Cash Working Capital	51,398	15,992	19,855	-	158	7,083	2,238	603	1,068	1,297	1,449	910	389	173	182	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	165,549	-	165,549	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	250,201	83,549	103,775	-	604	29,575	8,882	2,338	4,138	5,356	5,828	2,702	1,569	753	1,133	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	823,748	256,300	318,217	-	2,539	113,525	35,868	9,672	17,119	20,779	23,221	14,580	6,237	2,771	2,920	-
8	Total Rate Base	12,536,987	3,854,941	4,951,799	-	37,957	1,700,063	536,663	144,652	256,046	311,119	347,525	217,250	93,337	41,533	44,101	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	12,536,987	3,854,941	4,951,799	-	37,957	1,700,063	536,663	144,652	256,046	311,119	347,525	217,250	93,337	41,533	44,101	-
11	Return on Debt	602,881	185,377	238,123	-	1,825	81,753	25,807	6,956	12,313	14,961	16,712	10,447	4,488	1,997	2,121	-
12	Return on Equity	233,336	71,748	92,162	-	706	31,641	9,988	2,692	4,765	5,790	6,468	4,043	1,737	773	821	-
13	Return on Rate Base	836,217	257,125	330,285	-	2,532	113,394	35,795	9,648	17,078	20,752	23,180	14,491	6,226	2,770	2,942	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Island Isolated
 Functional Classification of Rate Base (CONTD.)

1	18	
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution											16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		9 Line Transformers Demand (CP kW) (Rural Cust)		11 Secondary Lines Demand (CP kW) (Rural Cust)		13 Services Customer (Wld Rural Cust)	14 Meters Customer	15 Street Lighting Customer (Rural Cust)			
Amounts																		
1	1.2 Domestic Diesel	-	1,207	5,660	1,207	1,166	1,166	698	1,103	698	1,103	698	698	698	-	698	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	-	126	784	126	121	121	96	115	96	115	96	180	180	-	96	-	
5	2.2 GS 10-100 kW	-	110	726	110	106	106	13	100	13	100	13	62	62	-	13	-	
6	2.3 GS 110-1,000 kVa	-	88	370	88	85	85	1	81	1	81	1	8	8	-	1	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	-	25	105	25	24	24	38	23	38	23	38	-	-	38	38	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	-	1,556	7,646	1,556	1,502	1,502	846	1,421	846	1,421	846	949	949	38	846	-	
Ratios																		
13	1.2 Domestic Diesel	-	0.7760	0.7402	0.7760	0.7760	0.7760	0.8251	0.7760	0.8251	0.7760	0.8251	0.7358	0.7358	-	0.8251	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	-	0.0807	0.1026	0.0807	0.0807	0.0807	0.1135	0.0807	0.1135	0.0807	0.1135	0.1900	0.1900	-	0.1135	-	
17	2.2 GS 10-100 kW	-	0.0707	0.0950	0.0707	0.0707	0.0707	0.0154	0.0707	0.0154	0.0707	0.0154	0.0654	0.0654	-	0.0154	-	
18	2.3 GS 110-1,000 kVa	-	0.0567	0.0484	0.0567	0.0567	0.0567	0.0012	0.0567	0.0012	0.0567	0.0012	0.0089	0.0089	-	0.0012	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	-	0.0160	0.0138	0.0160	0.0160	0.0160	0.0449	0.0160	0.0449	0.0160	0.0449	-	-	1.0000	0.0449	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Island Isolated
 Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	
			Revenue Related		Revenue Related	
			Municipal Tax (Prior Year (Rural Revenues))	PUB Assessment (Prior Year (Revenues + RSP))		
Amounts						
1		1.2 Domestic Diesel	796,792	796,792		
2		1.2G Government Domestic Diesel	-	-		
3		1.23 Churches, Schools & Com Halls	-	-		
4		2.1 GS 0-10 kW	205,730	205,730		
5		2.2 GS 10-100 kW	427,531	427,531		
6		2.3 GS 110-1,000 kVa	-	-		
7		2.4 GS Over 1,000 kVa	-	-		
8		2.5 GS Diesel	-	-		
9		2.5G Gov't General Service Diesel	-	-		
10		4.1 Street and Area Lighting	41,568	41,568		
11		4.1G Gov't Street and Area Lighting	-	-		
12		Total	1,471,621	1,471,621		
Ratios						
13		1.2 Domestic Diesel	0.5414	0.5414		
14		1.2G Government Domestic Diesel	-	-		
15		1.23 Churches, Schools & Com Halls	-	-		
16		2.1 GS 0-10 kW	0.1398	0.1398		
17		2.2 GS 10-100 kW	0.2905	0.2905		
18		2.3 GS 110-1,000 kVa	-	-		
19		2.4 GS Over 1,000 kVa	-	-		
20		2.5 GS Diesel	-	-		
21		2.5G Gov't General Service Diesel	-	-		
22		4.1 Street and Area Lighting	0.0282	0.0282		
23		4.1G Gov't Street and Area Lighting	-	-		
24		Total	1.0000	1.0000		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2B

Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO																		
2015 Test Year Cost of Service for 2015 Revenue Deficiency																		
Island Isolated																		
Allocation of Functionalized Amounts to Classes of Service																		
Line No.	Description	1 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)			
Allocated Revenue Requirement Excluding Return																		
1	1.2 Domestic Diesel	6,494,274	1,588,800	3,665,887	-	11,083	509,577	163,318	43,342	81,568	92,219	106,954	45,344	25,343	-	138,618	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	832,776	165,159	507,956	-	1,152	52,971	22,462	4,505	11,219	9,586	14,710	11,709	6,544	-	19,065	-	
5	2.2 GS 10-100 kW	702,277	144,685	470,497	-	1,009	46,405	3,042	3,947	1,519	8,398	1,992	4,028	2,251	-	2,582	-	
6	2.3 GS 110-1,000 kVa	405,231	116,021	239,735	-	809	37,211	234	3,165	117	6,734	153	547	306	-	199	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	162,070	32,759	68,222	-	229	10,507	8,891	894	4,441	1,901	5,823	-	-	19,699	7,547	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	8,596,628	2,047,423	4,952,296	-	14,282	656,671	197,947	55,853	98,864	118,839	129,632	61,628	34,444	19,699	168,010	-	
Allocated Return on Debt and Equity																		
13	1.2 Domestic Diesel	637,986	199,529	244,490	-	1,965	87,994	29,533	7,487	14,091	16,103	19,125	10,662	4,581	-	2,427	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	79,322	20,741	33,877	-	204	9,147	4,062	778	1,938	1,674	2,630	2,753	1,183	-	334	-	
17	2.2 GS 10-100 kW	62,457	18,170	31,379	-	179	8,013	550	682	262	1,466	356	947	407	-	45	-	
18	2.3 GS 110-1,000 kVa	39,128	14,570	15,989	-	143	6,426	42	547	20	1,176	27	129	55	-	3	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	17,324	4,114	4,550	-	41	1,814	1,608	154	767	332	1,041	-	-	2,770	132	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	836,217	257,125	330,285	-	2,532	113,394	35,795	9,648	17,078	20,752	23,180	14,491	6,226	2,770	2,942	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2B

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	18		19	Basis of Proration
		Revenue Related			
		Municipal	PUB		
	Description	Tax	Assessment		
		(\$)	(\$)		
	Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	21,126	1,094		
2	1.2G Government Domestic Diesel	-	-		
3	1.23 Churches, Schools & Com Halls	-	-		
4	2.1 GS 0-10 kW	5,455	283		
5	2.2 GS 10-100 kW	11,335	587		
6	2.3 GS 110-1,000 kVa	-	-		
7	2.4 GS Over 1,000 kVa	-	-		
8	2.5 GS Diesel	-	-		
9	2.5G Gov't General Service Diesel	-	-		
10	4.1 Street and Area Lighting	1,102	57		
11	4.1G Gov't Street and Area Lighting	-	-		
12	Total	39,018	2,021		
	Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-		
14	1.2G Government Domestic Diesel	-	-		
15	1.23 Churches, Schools & Com Halls	-	-		
16	2.1 GS 0-10 kW	-	-		
17	2.2 GS 10-100 kW	-	-		
18	2.3 GS 110-1,000 kVa	-	-		
19	2.4 GS Over 1,000 kVa	-	-		
20	2.5 GS Diesel	-	-		
21	2.5G Gov't General Service Diesel	-	-		
22	4.1 Street and Area Lighting	-	-		
23	4.1G Gov't Street and Area Lighting	-	-		
24	Total	-	-		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Customer (\$)	10 Customer (\$)	12 Customer (\$)	11 Customer (\$)							
Total Revenue Requirement																	
25	1.2 Domestic Diesel	7,132,259	1,788,329	3,910,377	-	13,048	597,571	192,851	50,829	95,659	108,323	126,079	56,006	29,923	-	141,045	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	912,098	185,900	541,833	-	1,356	62,119	26,524	5,284	13,157	11,260	17,340	14,462	7,727	-	19,399	-
29	2.2 GS 10-100 kW	764,735	162,855	501,876	-	1,188	54,418	3,592	4,629	1,782	9,864	2,348	4,976	2,658	-	2,627	-
30	2.3 GS 110-1,000 kVa	444,359	130,591	255,723	-	953	43,637	276	3,712	137	7,910	181	676	361	-	202	-
31	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	179,394	36,873	72,772	-	269	12,321	10,499	1,048	5,208	2,233	6,864	-	-	22,470	7,679	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	9,432,845	2,304,547	5,282,581	-	16,814	770,065	233,742	65,501	115,942	139,591	152,812	76,119	40,669	22,470	170,952	-
Re-classification of Revenue-Related																	
37	1.2 Domestic Diesel	(0)	5,589	12,221	-	41	1,868	603	159	299	339	394	175	94	-	441	-
38	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	2.1 GS 0-10 kW	-	1,177	3,430	-	9	393	168	33	83	71	110	92	49	-	123	-
41	2.2 GS 10-100 kW	0	2,579	7,948	-	19	862	57	73	28	156	37	79	42	-	42	-
42	2.3 GS 110-1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	4.1 Street and Area Lighting	(0)	240	473	-	2	80	68	7	34	15	45	-	-	146	50	-
47	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total	(0)	9,585	24,072	-	70	3,203	896	272	444	581	586	345	185	146	655	-
Total Allocated Revenue Requirement																	
49	1.2 Domestic Diesel	7,132,259	1,793,918	3,922,598	-	13,089	599,438	193,454	50,987	95,958	108,661	126,473	56,181	30,017	-	141,486	-
50	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	2.1 GS 0-10 kW	912,098	187,077	545,263	-	1,365	62,512	26,692	5,317	13,240	11,332	17,450	14,553	7,776	-	19,522	-
53	2.2 GS 10-100 kW	764,735	165,434	509,824	-	1,207	55,280	3,649	4,702	1,810	10,021	2,385	5,054	2,701	-	2,669	-
54	2.3 GS 110-1,000 kVa	444,359	130,591	255,723	-	953	43,637	276	3,712	137	7,910	181	676	361	-	202	-
55	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4.1 Street and Area Lighting	179,394	37,113	73,245	-	271	12,401	10,567	1,055	5,242	2,248	6,909	-	-	22,616	7,729	-
59	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Total	9,432,845	2,314,132	5,306,653	-	16,884	773,268	234,638	65,773	116,386	140,172	153,398	76,464	40,854	22,616	171,607	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2B

Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	Basis of Proration
			Revenue Related			
			Municipal	PUB		
			Tax	Assessment		
			(\$)	(\$)		
		Total Revenue Requirement				
25		1.2 Domestic Diesel	21,126	1,094		
26		1.2G Government Domestic Diesel	-	-		
27		1.23 Churches, Schools & Com Halls	-	-		
28		2.1 GS 0-10 kW	5,455	283		
29		2.2 GS 10-100 kW	11,335	587		
30		2.3 GS 110-1,000 kVa	-	-		
31		2.4 GS Over 1,000 kVa	-	-		
32		2.5 GS Diesel	-	-		
33		2.5G Gov't General Service Diesel	-	-		
34		4.1 Street and Area Lighting	1,102	57		
35		4.1G Gov't Street and Area Lighting	-	-		
36		Total	39,018	2,021		
		Re-classification of Revenue-Related				
37		1.2 Domestic Diesel	(21,126)	(1,094)	Re-classification to demand, energy and customer is based on rate class revenue	
38		1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.	
39		1.23 Churches, Schools & Com Halls	-	-		
40		2.1 GS 0-10 kW	(5,455)	(283)		
41		2.2 GS 10-100 kW	(11,335)	(587)		
42		2.3 GS 110-1,000 kVa	-	-		
43		2.4 GS Over 1,000 kVa	-	-		
44		2.5 GS Diesel	-	-		
45		2.5G Gov't General Service Diesel	-	-		
46		4.1 Street and Area Lighting	(1,102)	(57)		
47		4.1G Gov't Street and Area Lighting	-	-		
48		Total	(39,018)	(2,021)		
		Total Allocated Revenue Requirement				
49		1.2 Domestic Diesel	-	-		
50		1.2G Government Domestic Diesel	-	-		
51		1.23 Churches, Schools & Com Halls	-	-		
52		2.1 GS 0-10 kW	-	-		
53		2.2 GS 10-100 kW	-	-		
54		2.3 GS 110-1,000 kVa	-	-		
55		2.4 GS Over 1,000 kVa	-	-		
56		2.5 GS Diesel	-	-		
57		2.5G Gov't General Service Diesel	-	-		
58		4.1 Street and Area Lighting	-	-		
59		4.1G Gov't Street and Area Lighting	-	-		
60		Total	-	-		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Customer (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Demand (\$)	12 Customer (\$)	13 Services Customer (\$)	
Expenses																	
1	Operating & Maintenance	13,182,478	3,767,183	6,903,253	-	84,807	870,393	242,127	37,533	66,437	162,494	167,477	51,432	50,214	22,510	569,463	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	14,335,189	-	14,335,189	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,621,605	775,154	1,431,186	-	22,032	179,718	54,706	7,022	12,429	31,642	35,055	17,568	26,369	13,911	14,812	-
Expense Credits																	
8	Sundry	(66,526)	(19,011)	(34,837)	-	(428)	(4,392)	(1,222)	(189)	(335)	(820)	(845)	(260)	(253)	(114)	(2,874)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(10,364)	(2,962)	(5,427)	-	(67)	(684)	(190)	(30)	(52)	(128)	(132)	(40)	(39)	(18)	(448)	-
12	Pole Attachments	(105,320)	-	-	-	-	(60,912)	(20,817)	-	-	(10,781)	(12,810)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(1,472)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,472)	-
16	Meter Test Revenues	(215)	-	-	-	-	-	-	-	-	-	-	-	(215)	-	-	-
17	Total Expense Credits	(183,896)	(21,973)	(40,265)	-	(495)	(65,988)	(22,229)	(219)	(388)	(11,729)	(13,787)	(300)	(508)	(131)	(4,794)	-
18	Subtotal Expenses	29,955,375	4,520,364	22,629,364	-	106,344	984,122	274,604	44,336	78,479	182,407	188,744	68,700	76,076	36,290	579,481	-
19	Disposal Gain / Loss	273,138	73,805	133,632	-	2,667	27,939	8,895	1,466	2,595	6,572	6,784	5,113	1,835	729	1,105	-
20	Subtotal Revenue Requirement Ex. Return	30,228,513	4,594,169	22,762,995	-	109,012	1,012,062	283,498	45,803	81,074	188,979	195,528	73,813	77,911	37,019	580,586	-
21	Return on Debt	2,700,040	689,889	1,396,943	-	24,962	261,411	83,014	13,671	24,198	61,239	63,215	47,195	17,115	6,824	10,365	-
22	Return on Equity	1,045,013	267,012	540,667	-	9,661	101,176	32,129	5,291	9,366	23,702	24,466	18,266	6,624	2,641	4,012	-
23	Total Revenue Requirement	33,973,565	5,551,069	24,700,606	-	143,635	1,374,649	398,642	64,764	114,638	273,920	283,209	139,274	101,650	46,484	594,963	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.1C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Expenses			
1	Operating & Maintenance	177,937	9,219	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.12
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(898)	(47)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(140)	(7)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(1,038)	(54)	
18	Subtotal Expenses	176,899	9,165	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	176,899	9,165	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	176,899	9,165	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand Customer (\$)		9 Line Transformers Demand Customer (\$)		11 Secondary Lines Demand Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)	
Production																
1	Diesel	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
6	Substation Structures & Equipment	2,739,332	1,827,404	-	-	911,928	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	243,333	-	-	-	-	183,461	23,372	-	-	21,280	15,221	-	-	-	-
8	Poles	11,493,527	-	-	-	-	6,647,258	2,271,719	-	-	1,176,569	1,397,981	-	-	-	-
9	Primary Conductor & Equipment	2,952,695	-	-	-	-	2,619,040	333,655	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	1,128,800	-	-	-	-	-	-	407,497	721,303	-	-	-	-	-	-
12	Secondary Conductors & Equipment	971,404	-	-	-	-	-	-	-	-	566,328	405,075	-	-	-	-
13	Services	558,391	-	-	-	-	-	-	-	-	-	-	558,391	-	-	-
14	Meters	521,956	-	-	-	-	-	-	-	-	-	-	-	521,956	-	-
15	Street Lighting	244,392	-	-	-	-	-	-	-	-	-	-	-	-	244,392	-
16	Subtotal Distribution	20,853,830	1,827,404	-	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
17	Subttl Prod, Trans, & Dist	81,080,582	22,459,773	39,594,383	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
18	General	8,718,632	2,556,398	4,722,682	-	47,627	493,534	137,292	21,282	37,672	92,138	94,963	29,163	28,898	12,764	444,218
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	169,611	46,983	82,827	-	1,908	19,768	5,499	852	1,509	3,690	3,804	1,168	1,092	511	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Plant	89,968,824	25,063,154	44,399,891	-	961,463	9,963,062	2,771,536	429,632	760,484	1,860,006	1,917,044	588,723	551,946	257,667	444,218

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.2C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Labrador Isolated
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.7
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch 2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Diesel	32,695,266	11,200,684	21,494,583	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	32,695,266	11,200,684	21,494,583	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	1,143,035	693,537	-	-	449,498	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	154,588	-	-	-	-	116,551	14,848	-	-	13,519	9,669	-	-	-	-	
8	Poles	7,326,313	-	-	-	-	4,237,159	1,448,060	-	-	749,980	891,114	-	-	-	-	
9	Primary Conductor & Equipment	402,479	-	-	-	-	356,999	45,480	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	690,441	-	-	-	-	-	-	249,249	441,192	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	609,075	-	-	-	-	-	-	-	-	355,091	253,984	-	-	-	-	
13	Services	888,870	-	-	-	-	-	-	-	-	-	-	888,870	-	-	-	
14	Meters	310,922	-	-	-	-	-	-	-	-	-	-	-	310,922	-	-	
15	Street Lighting	123,038	-	-	-	-	-	-	-	-	-	-	-	-	123,038	-	
16	Subtotal Distribution	11,648,762	693,537	-	-	449,498	4,710,709	1,508,389	249,249	441,192	1,118,589	1,154,768	888,870	310,922	123,038	-	
17	Subttl Prod, Trans, & Dist	44,344,028	11,894,220	21,494,583	-	449,498	4,710,709	1,508,389	249,249	441,192	1,118,589	1,154,768	888,870	310,922	123,038	-	
18	General	3,837,532	1,125,206	2,078,703	-	20,963	217,230	60,429	9,368	16,581	40,555	41,798	12,836	12,720	5,618	195,524	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	147,277	39,504	71,389	-	1,493	15,645	5,010	828	1,465	3,715	3,835	2,952	1,033	409	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	48,328,837	13,058,930	23,644,674	-	471,955	4,943,585	1,573,828	259,445	459,239	1,162,859	1,200,402	904,658	324,674	129,065	195,524	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
Production																	
1	Diesel	6,968,482	2,387,250	4,581,233	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	337,907	115,760	222,147	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	7,306,389	2,503,009	4,803,380	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	1,080,020	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	-	12,982	-	-
9	Meters	29,392	-	-	-	-	-	-	-	-	-	-	-	29,392	-	-	-
10	Subtotal Distribution	1,109,412	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
11	Subttl Prod, Trans, & Dist	8,415,802	2,600,080	4,803,380	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
12	Customer Accounting	451,809	-	-	-	-	-	-	-	-	-	-	-	-	-	451,809	-
Administrative & General:																	
Plant-Related:																	
13	Production	769,010	263,446	505,564	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	395,021	34,615	-	-	17,274	179,001	49,795	7,719	13,663	33,418	34,442	10,577	9,887	4,629	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn and General Plt	447,836	124,756	221,009	-	4,786	49,593	13,796	2,139	3,785	9,259	9,542	2,930	2,747	1,283	2,211	-
18	Property Insurance	63,792	22,262	39,437	-	854	439	122	19	34	82	85	26	26	11	395	-
Revenue Related:																	
19	Municipal Tax	177,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	9,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	2,258,026	662,078	1,223,121	-	12,335	127,820	35,557	5,512	9,757	23,863	24,594	7,553	7,484	3,306	115,047	-
22	Prod, Trans, and Distn Expense-Related	194,026	59,945	110,742	-	1,117	11,573	3,219	499	883	2,161	2,227	684	678	299	-	-
23	Subtotal Admin & General	4,314,867	1,167,102	2,099,873	-	36,366	368,425	102,489	15,887	28,122	68,781	70,891	21,770	20,822	9,528	117,654	-
24	Total Operating & Maintenance Expenses	13,182,478	3,767,183	6,903,253	-	84,807	870,393	242,127	37,533	66,437	162,494	167,477	51,432	50,214	22,510	569,463	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4C
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18	19	
		Municipal Tax	PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	177,937	-	Revenue-related
20	PUB Assessment	-	9,219	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>177,937</u>	<u>9,219</u>	
24	Total Operating & Maintenance Expenses	<u>177,937</u>	<u>9,219</u>	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)			
1	Average Net Book Value	48,328,837	13,058,930	23,644,674	-	471,955	4,943,585	1,573,828	259,445	459,239	1,162,859	1,200,402	904,658	324,674	129,065	195,524	-	
2	Cash Working Capital	220,879	59,684	108,064	-	2,157	22,594	7,193	1,186	2,099	5,315	5,486	4,135	1,484	590	894	-	
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	3,084,574	-	3,084,574	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	973,459	271,182	480,405	-	10,403	107,800	29,988	4,649	8,228	20,125	20,742	6,370	5,972	2,788	4,806	-	
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	3,539,967	956,534	1,731,914	-	34,570	362,105	115,279	19,004	33,638	85,177	87,926	66,264	23,782	9,454	14,322	-	
8	Total Rate Base	56,147,716	14,346,330	29,049,630	-	519,084	5,436,084	1,726,288	284,283	503,204	1,273,476	1,314,557	981,427	355,912	141,896	215,546	-	
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Rate Base Available for Equity Return	56,147,716	14,346,330	29,049,630	-	519,084	5,436,084	1,726,288	284,283	503,204	1,273,476	1,314,557	981,427	355,912	141,896	215,546	-	
11	Return on Debt	2,700,040	689,889	1,396,943	-	24,962	261,411	83,014	13,671	24,198	61,239	63,215	47,195	17,115	6,824	10,365	-	
12	Return on Equity	1,045,013	267,012	540,667	-	9,661	101,176	32,129	5,291	9,366	23,702	24,466	18,266	6,624	2,641	4,012	-	
13	Return on Rate Base	3,745,053	956,900	1,937,610	-	34,623	362,587	115,143	18,962	33,564	84,941	87,681	65,461	23,739	9,464	14,377	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Labrador Isolated
 Functional Classification of Rate Base (CONT'D.)

Line No.	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution										17 Specifically Assigned Customer	
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		8 Line Transformers Demand (CP kW) (Rural Cust)		9 Secondary Lines Demand (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer	12 Street Lighting Customer (Rural Cust)		13 Accounting Customer (Rural Cust)
Amounts																	
1	1.2 Domestic Diesel	-	4,715	22,197	4,715	4,562	4,562	2,070	4,330	2,070	4,330	2,070	2,070	2,070	-	2,070	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	738	4,466	738	714	714	416	677	416	677	416	781	781	-	416	-
5	2.2 GS 10-100 kW	-	2,023	12,284	2,023	1,957	1,957	139	1,857	139	1,857	139	665	665	-	139	-
6	2.3 GS 110-1,000 kVa	-	150	3,038	150	145	145	6	138	6	138	6	51	51	-	6	-
7	2.4 GS Over 1,000 kVa	-	93	2,607	93	90	90	1	86	1	86	1	8	8	-	1	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	80	319	80	77	77	83	74	83	74	83	-	-	83	83	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	7,799	44,912	7,799	7,545	7,545	2,715	7,162	2,715	7,162	2,715	3,575	3,575	83	2,715	-
Ratios																	
13	1.2 Domestic Diesel	-	0.6046	0.4942	0.6046	0.6046	0.6046	0.7624	0.6046	0.7624	0.6046	0.7624	0.5791	0.5791	-	0.7624	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0946	0.0994	0.0946	0.0946	0.0946	0.1531	0.0946	0.1531	0.0946	0.1531	0.2184	0.2184	-	0.1531	-
17	2.2 GS 10-100 kW	-	0.2593	0.2735	0.2593	0.2593	0.2593	0.0514	0.2593	0.0514	0.2593	0.0514	0.1861	0.1861	-	0.0514	-
18	2.3 GS 110-1,000 kVa	-	0.0193	0.0676	0.0193	0.0193	0.0193	0.0022	0.0193	0.0022	0.0193	0.0022	0.0141	0.0141	-	0.0022	-
19	2.4 GS Over 1,000 kVa	-	0.0120	0.0581	0.0120	0.0120	0.0120	0.0004	0.0120	0.0004	0.0120	0.0004	0.0024	0.0024	-	0.0004	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0103	0.0071	0.0103	0.0103	0.0103	0.0306	0.0103	0.0306	0.0103	0.0306	-	-	1.0000	0.0306	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.1C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18	19
		Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.2 Domestic Diesel	3,083,957	3,083,957
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	1,096,168	1,096,168
5	2.2 GS 10-100 kW	1,957,521	1,957,521
6	2.3 GS 110-1,000 kVa	178,644	178,644
7	2.4 GS Over 1,000 kVa	240,507	240,507
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	115,211	115,211
11	4.1G Gov't Street and Area Lighting	-	-
12	Total	6,672,008	6,672,008
Ratios			
13	1.2 Domestic Diesel	0.4622	0.4622
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1643	0.1643
17	2.2 GS 10-100 kW	0.2934	0.2934
18	2.3 GS 110-1,000 kVa	0.0268	0.0268
19	2.4 GS Over 1,000 kVa	0.0360	0.0360
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0173	0.0173
23	4.1G Gov't Street and Area Lighting	-	-
24	Total	1.0000	1.0000

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
Allocated Revenue Requirement Excluding Return																	
1	1.2 Domestic Diesel	15,891,071	2,777,473	11,250,393	-	65,905	611,857	216,134	27,691	61,810	114,250	149,067	42,743	45,116	-	442,629	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	3,064,799	434,513	2,263,697	-	10,310	95,720	43,408	4,332	12,414	17,873	29,938	16,117	17,012	-	88,896	-
5	2.2 GS 10-100 kW	7,910,364	1,191,469	6,225,857	-	28,272	262,472	14,560	11,879	4,164	49,010	10,042	13,735	14,498	-	29,817	-
6	2.3 GS 110-1,000 kVa	1,663,798	88,475	1,539,565	-	2,099	19,490	626	882	179	3,639	432	1,043	1,101	-	1,283	-
7	2.4 GS Over 1,000 kVa	1,400,344	55,051	1,321,561	-	1,306	12,127	104	549	30	2,265	72	174	183	-	214	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	298,136	47,187	161,923	-	1,120	10,395	8,666	470	2,478	1,941	5,977	-	-	37,019	17,747	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	30,228,513	4,594,169	22,762,995	-	109,012	1,012,062	283,498	45,803	81,074	188,979	195,528	73,813	77,911	37,019	580,586	-
Allocated Return on Debt and Equity																	
13	1.2 Domestic Diesel	2,081,942	578,508	957,645	-	20,932	219,207	87,783	11,464	25,588	51,352	66,846	37,907	13,747	-	10,961	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	388,459	90,503	192,688	-	3,275	34,293	17,630	1,793	5,139	8,034	13,425	14,294	5,184	-	2,201	-
17	2.2 GS 10-100 kW	937,555	248,166	529,952	-	8,979	94,035	5,913	4,918	1,724	22,029	4,503	12,181	4,417	-	738	-
18	2.3 GS 110-1,000 kVa	160,943	18,428	131,049	-	667	6,983	254	365	74	1,636	194	925	335	-	32	-
19	2.4 GS Over 1,000 kVa	130,266	11,466	112,493	-	415	4,345	42	227	12	1,018	32	154	56	-	5	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	45,888	9,828	13,783	-	356	3,724	3,520	195	1,026	872	2,680	-	-	9,464	439	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	3,745,053	956,900	1,937,610	-	34,623	362,587	115,143	18,962	33,564	84,941	87,681	65,461	23,739	9,464	14,377	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2C

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Labrador Isolated
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		18	19	
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	81,767	4,236	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	29,063	1,506	
5	2.2 GS 10-100 kW	51,901	2,689	
6	2.3 GS 110-1,000 kVa	4,737	245	
7	2.4 GS Over 1,000 kVa	6,377	330	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	3,055	158	
11	4.1G Gov't Street and Area Lighting	-	-	
12	Total	176,899	9,165	
Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	Total	-	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2C
Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Transmission Energy (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Total Revenue Requirement																		
1	1.2 Domestic Diesel	17,973,013	3,355,981	12,208,038	-	-	86,836	831,064	303,917	39,154	87,398	165,602	215,914	80,651	58,863	-	453,589	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	3,453,258	525,016	2,456,385	-	-	13,585	130,013	61,038	6,125	17,553	25,907	43,363	30,411	22,196	-	91,098	-
5	2.2 GS 10-100 kW	8,847,919	1,439,635	6,755,809	-	-	37,251	356,507	20,473	16,796	5,888	71,039	14,545	25,916	18,915	-	30,556	-
6	2.3 GS 110-1,000 kVa	1,824,741	106,904	1,670,615	-	-	2,766	26,473	881	1,247	253	5,275	626	1,968	1,436	-	1,315	-
7	2.4 GS Over 1,000 kVa	1,530,611	66,518	1,434,054	-	-	1,721	16,472	147	776	42	3,282	104	328	239	-	219	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	344,024	57,015	175,706	-	-	1,475	14,119	12,186	665	3,504	2,813	8,657	-	-	46,484	18,187	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	33,973,565	5,551,069	24,700,606	-	-	143,635	1,374,649	398,642	64,764	114,638	273,920	283,209	139,274	101,650	46,484	594,963	-
Re-classification of Revenue-Related																		
13	1.2 Domestic Diesel	(0)	16,136	58,698	-	-	418	3,996	1,461	188	420	796	1,038	388	283	-	2,181	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	(0)	4,689	21,939	-	-	121	1,161	545	55	157	231	387	272	198	-	814	-
17	2.2 GS 10-100 kW	(0)	8,937	41,941	-	-	231	2,213	127	104	37	441	90	161	117	-	190	-
18	2.3 GS 110-1,000 kVa	0	293	4,574	-	-	8	72	2	3	1	14	2	5	4	-	4	-
19	2.4 GS Over 1,000 kVa	0	293	6,312	-	-	8	72	1	3	0	14	0	1	1	-	1	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	537	1,656	-	-	14	133	115	6	33	27	82	-	-	438	171	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	(0)	30,885	135,119	-	-	799	7,648	2,251	360	647	1,524	1,600	827	604	438	3,360	-
Total Allocated Revenue Requirement																		
25	1.2 Domestic Diesel	17,973,013	3,372,117	12,266,736	-	-	87,254	835,060	305,379	39,342	87,818	166,398	216,952	81,039	59,147	-	455,770	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	3,453,258	529,705	2,478,324	-	-	13,706	131,174	61,583	6,180	17,710	26,138	43,751	30,682	22,394	-	91,911	-
29	2.2 GS 10-100 kW	8,847,919	1,448,573	6,797,749	-	-	37,482	358,720	20,600	16,900	5,924	71,480	14,635	26,077	19,032	-	30,745	-
30	2.3 GS 110-1,000 kVa	1,824,741	107,196	1,675,188	-	-	2,774	26,546	883	1,251	254	5,290	628	1,974	1,440	-	1,318	-
31	2.4 GS Over 1,000 kVa	1,530,611	66,811	1,440,366	-	-	1,729	16,545	147	779	42	3,297	105	329	240	-	220	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	344,024	57,553	177,362	-	-	1,489	14,252	12,300	671	3,537	2,840	8,739	-	-	46,922	18,358	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	33,973,565	5,581,954	24,835,725	-	-	144,434	1,382,297	400,893	65,125	115,286	275,444	284,809	140,101	102,254	46,922	598,323	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2C
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19		Basis of Proration
			Revenue Related				
			Municipal Tax (\$)	PUB Assessment (\$)			
Total Revenue Requirement							
1		1.2 Domestic Diesel	81,767	4,236			
2		1.2G Government Domestic Diesel	-	-			
3		1.23 Churches, Schools & Com Halls	-	-			
4		2.1 GS 0-10 kW	29,063	1,506			
5		2.2 GS 10-100 kW	51,901	2,689			
6		2.3 GS 110-1,000 kVa	4,737	245			
7		2.4 GS Over 1,000 kVa	6,377	330			
8		2.5 GS Diesel	-	-			
9		2.5G Gov't General Service Diesel	-	-			
10		4.1 Street and Area Lighting	3,055	158			
11		4.1G Gov't Street and Area Lighting	-	-			
12		Total	176,899	9,165			
Re-classification of Revenue-Related							
13		1.2 Domestic Diesel	(81,767)	(4,236)	Re-classification to demand, energy and customer is based on rate class revenue requirements excluding revenue-related items.		
14		1.2G Government Domestic Diesel	-	-			
15		1.23 Churches, Schools & Com Halls	-	-			
16		2.1 GS 0-10 kW	(29,063)	(1,506)			
17		2.2 GS 10-100 kW	(51,901)	(2,689)			
18		2.3 GS 110-1,000 kVa	(4,737)	(245)			
19		2.4 GS Over 1,000 kVa	(6,377)	(330)			
20		2.5 GS Diesel	-	-			
21		2.5G Gov't General Service Diesel	-	-			
22		4.1 Street and Area Lighting	(3,055)	(158)			
23		4.1G Gov't Street and Area Lighting	-	-			
24		Total	(176,899)	(9,165)			
Total Allocated Revenue Requirement							
25		1.2 Domestic Diesel	-	-			
26		1.2G Government Domestic Diesel	-	-			
27		1.23 Churches, Schools & Com Halls	-	-			
28		2.1 GS 0-10 kW	-	-			
29		2.2 GS 10-100 kW	-	-			
30		2.3 GS 110-1,000 kVa	-	-			
31		2.4 GS Over 1,000 kVa	-	-			
32		2.5 GS Diesel	-	-			
33		2.5G Gov't General Service Diesel	-	-			
34		4.1 Street and Area Lighting	-	-			
35		4.1G Gov't Street and Area Lighting	-	-			
36		Total	-	-			

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		Distribution											17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)	13 Accounting Customer (\$)		
Expenses																	
1	Operating & Maintenance	1,541,011	632,368	-	-	6,270	369,964	108,615	16,992	30,077	68,042	72,677	15,970	22,481	6,563	114,688	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	585,899	-	585,899	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	2,657,696	-	2,657,696	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	435,508	228,342	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	-
Expense Credits																	
8	Sundry	(7,777)	(3,191)	-	-	(32)	(1,867)	(548)	(86)	(152)	(343)	(367)	(81)	(113)	(33)	(579)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(1,212)	(497)	-	-	(5)	(291)	(85)	(13)	(24)	(53)	(57)	(13)	(18)	(5)	(90)	-
12	Pole Attachments	(69,837)	-	-	-	-	(40,390)	(13,803)	-	-	(7,149)	(8,494)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(412)	-	-	-	-	-	-	-	-	-	-	-	-	-	(412)	-
16	Meter Test Revenues	(110)	-	-	-	-	-	-	-	-	-	-	-	(110)	-	-	-
17	Total Expense Credits	(79,347)	(3,688)	-	-	(37)	(42,548)	(14,437)	(99)	(175)	(7,546)	(8,918)	(93)	(241)	(38)	(1,081)	-
18	Subtotal Expenses	5,140,767	857,022	3,243,595	-	9,503	418,042	121,602	25,742	45,565	75,028	80,353	22,477	36,067	11,470	118,443	-
19	Disposal Gain / Loss	70,800	30,301	-	-	545	19,603	6,008	1,187	2,102	3,179	3,645	2,265	1,228	339	398	-
20	Subtotal Revenue Requirement Ex. Return	5,211,567	887,323	3,243,595	-	10,048	437,645	127,610	26,929	47,667	78,206	83,998	24,741	37,295	11,809	118,841	-
21	Return on Debt	517,734	220,881	2,129	-	3,935	142,814	43,735	8,608	15,237	23,224	26,585	16,284	8,912	2,474	2,916	-
22	Return on Equity	200,382	85,489	824	-	1,523	55,274	16,927	3,332	5,897	8,988	10,289	6,302	3,449	957	1,129	-
23	Total Revenue Requirement	5,929,683	1,193,693	3,246,549	-	15,507	635,732	188,272	38,869	68,801	110,419	120,873	47,327	49,656	15,240	122,886	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.1D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		Municipal Tax (\$)	PUB Assessment (\$)	
	Expenses			
1	Operating & Maintenance	72,546	3,758	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.13
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(366)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(57)	(3)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(423)	(22)	
18	Subtotal Expenses	72,123	3,737	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	72,123	3,737	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	72,123	3,737	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$) Customer (\$)		8-9 Line Transformers Demand (\$) Customer (\$)		10-11 Secondary Lines Demand (\$) Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Diesel	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	153,816	66,299	-	-	87,518	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	66,393	-	-	-	-	50,057	6,377	-	-	5,806	4,153	-	-	-	-	
8	Poles	7,062,374	-	-	-	-	4,084,510	1,395,892	-	-	722,961	859,011	-	-	-	-	
9	Primary Conductor & Equipment	1,278,301	-	-	-	-	1,133,853	144,448	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	670,272	-	-	-	-	-	-	241,968	428,304	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	411,959	-	-	-	-	-	-	-	-	240,172	171,787	-	-	-	-	
13	Services	227,423	-	-	-	-	-	-	-	-	-	-	227,423	-	-	-	
14	Meters	267,499	-	-	-	-	-	-	-	-	-	-	-	267,499	-	-	
15	Street Lighting	93,455	-	-	-	-	-	-	-	-	-	-	-	-	93,455	-	
16	Subtotal Distribution	10,231,494	66,299	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
17	Subttl Prod, Trans, & Dist	18,485,147	8,319,952	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
18	General	1,621,900	685,657	-	-	6,712	404,063	118,626	18,558	32,849	74,313	79,376	17,442	25,322	7,168	151,814	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	38,669	17,404	-	-	183	11,021	3,236	506	896	2,027	2,165	476	560	195	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	20,145,716	9,023,013	-	-	94,413	5,683,505	1,668,579	261,032	462,049	1,045,279	1,116,491	245,341	293,381	100,818	151,814	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.2D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.8
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		12 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)			
Production																	
1	Diesel	3,897,369	3,897,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	3,897,369	3,897,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	85,750	13,428	-	-	72,322	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	19,937	-	-	-	-	15,032	1,915	-	-	1,744	1,247	-	-	-	-	
8	Poles	3,690,889	-	-	-	-	2,134,618	729,512	-	-	377,829	448,930	-	-	-	-	
9	Primary Conductor & Equipment	444,809	-	-	-	-	394,545	50,263	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	432,823	-	-	-	-	-	-	156,249	276,574	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	51,198	-	-	-	-	-	-	-	-	29,849	21,350	-	-	-	-	
13	Services	304,411	-	-	-	-	-	-	-	-	-	-	304,411	-	-	-	
14	Meters	159,346	-	-	-	-	-	-	-	-	-	-	-	159,346	-	-	
15	Street Lighting	43,987	-	-	-	-	-	-	-	-	-	-	-	-	43,987	-	
16	Subtotal Distribution	5,233,151	13,428	-	-	72,322	2,544,195	781,690	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
17	Subttl Prod, Trans, & Dist	9,130,519	3,910,797	-	-	72,322	2,544,195	781,690	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
18	General	584,866	247,252	-	-	2,420	145,708	42,777	6,692	11,846	26,798	28,623	6,290	9,131	2,585	54,745	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	30,325	12,989	-	-	240	8,450	2,596	519	919	1,360	1,566	1,011	529	146	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	9,745,711	4,171,038	-	-	74,982	2,698,353	827,063	163,460	289,338	437,579	501,716	311,712	169,006	46,718	54,745	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$) Customer (\$)		9 Line Transformers Demand (\$) Customer (\$)		11 Secondary Lines Demand (\$) Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Diesel	360,321	360,321	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	44,529	44,529	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	404,850	404,850	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	454,593	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	-	4,264	-	
9	Meters	15,063	-	-	-	-	-	-	-	-	-	-	-	15,063	-	-	
10	Subtotal Distribution	469,656	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-	
11	Subttl Prod, Trans, & Dist	874,506	407,874	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-	
12	Customer Accounting	90,309	-	-	-	-	-	-	-	-	-	-	-	-	-	90,309	
Administrative & General:																	
Plant-Related:																	
13	Production	91,127	91,127	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Distribution	113,348	734	-	-	970	58,365	17,135	2,681	4,745	10,734	11,466	2,519	2,963	1,035	-	
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Prod,Trans, Distn & General Plt	3,074	1,377	-	-	14	867	255	40	71	159	170	37	45	15	23	
18	Property Insurance	14,284	12,826	-	-	134	575	169	26	47	106	113	25	36	10	216	
Revenue Related:																	
19	Municipal Tax	72,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	PUB Assessment	3,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	All Expense-Related	257,897	109,026	-	-	1,067	64,250	18,863	2,951	5,223	11,816	12,621	2,773	4,026	1,140	24,140	
22	Prod, Trans, and Distn Expense-Related	20,162	9,404	-	-	92	5,542	1,627	255	451	1,019	1,089	239	347	98	-	
23	Subtotal Admin & General	576,196	224,493	-	-	2,278	129,600	38,048	5,952	10,536	23,835	25,459	5,594	7,418	2,299	24,379	
24	Total Operating & Maintenance Expenses	1,541,011	632,368	-	-	6,270	369,964	108,615	16,992	30,077	68,042	72,677	15,970	22,481	6,563	114,688	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
Production				
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	Subtotal Production	<u>-</u>	<u>-</u>	
Transmission				
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
Distribution				
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
Administrative & General:				
Plant-Related:				
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod., Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod,Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
Revenue Related:				
19	Municipal Tax	72,546	-	Revenue-related
20	PUB Assessment	-	3,758	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>72,546</u>	<u>3,758</u>	
24	Total Operating & Maintenance Expenses	<u>72,546</u>	<u>3,758</u>	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		12 Secondary Lines		13 Services	14 Meters	15 Street Lighting			
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	
Production																	
1	Diesel	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	3,432	429	-	-	3,003	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	505	-	-	-	-	381	48	-	-	44	32	-	-	-	-	
8	Poles	108,921	-	-	-	-	62,994	21,528	-	-	11,150	13,248	-	-	-	-	
9	Primary Conductor & Equipment	14,707	-	-	-	-	13,045	1,662	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	22,483	-	-	-	-	-	-	8,116	14,366	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	1,306	-	-	-	-	-	-	-	-	762	545	-	-	-	-	
13	Services	5,940	-	-	-	-	-	-	-	-	-	-	5,940	-	-	-	
14	Meters	12,796	-	-	-	-	-	-	-	-	-	-	-	12,796	-	-	
15	Street Lighting	4,636	-	-	-	-	-	-	-	-	-	-	-	-	4,636	-	
16	Subtotal Distribution	174,725	429	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
17	Subtotal Prod Tran & Dist	377,250	202,954	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
18	General	51,660	21,839	-	-	214	12,870	3,778	591	1,046	2,367	2,528	556	807	228	4,835	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	6,598	3,550	-	-	53	1,337	406	142	251	209	242	104	224	81	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	435,508	228,342	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lightin Customer (\$)			
1	Average Net Book Value	9,745,711	4,171,038	-	-	74,982	2,698,353	827,063	163,460	289,338	437,579	501,716	311,712	169,006	46,718	54,745	-	
2	Cash Working Capital	44,541	19,063	-	-	343	12,332	3,780	747	1,322	2,000	2,293	1,425	772	214	250	-	
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	44,283	-	44,283	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	217,976	97,629	-	-	1,022	61,495	18,054	2,824	4,999	11,310	12,080	2,655	3,174	1,091	1,643	-	
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	713,849	305,518	-	-	5,492	197,648	60,580	11,973	21,193	32,052	36,749	22,832	12,379	3,422	4,010	-	
8	Total Rate Base	10,766,360	4,593,247	44,283	-	81,839	2,969,828	909,478	179,005	316,853	482,940	552,839	338,623	185,332	51,444	60,648	-	
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Rate Base Available for Equity Return	10,766,360	4,593,247	44,283	-	81,839	2,969,828	909,478	179,005	316,853	482,940	552,839	338,623	185,332	51,444	60,648	-	
11	Return on Debt	517,734	220,881	2,129	-	3,935	142,814	43,735	8,608	15,237	23,224	26,585	16,284	8,912	2,474	2,916	-	
12	Return on Equity	200,382	85,489	824	-	1,523	55,274	16,927	3,332	5,897	8,988	10,289	6,302	3,449	957	1,129	-	
13	Return on Rate Base	718,116	306,370	2,954	-	5,459	198,088	60,662	11,940	21,134	32,212	36,874	22,586	12,362	3,431	4,045	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Rate Base (CONT'D.)

1	18	
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution											16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		8 Line Transformers Demand (CP kW) (Rural Cust)		9 Secondary Lines Demand (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer	12 Street Lighting Customer			
Amounts																		
1	1.1 Domestic Diesel	-	1,199	4,441	1,199	1,141	1,141	407	1,053	407	1,053	407	407	407	-	407	-	
2	1.12 Domestic All Electric	-	2,844	11,369	2,844	2,704	2,704	386	2,497	386	2,497	386	386	386	-	386	-	
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.2 GS 10-100 kW	-	1,411	6,942	1,411	1,341	1,341	209	1,239	209	1,239	209	997	997	-	209	-	
5	2.3 GS 110-1,000 kVa	-	246	2,055	246	234	234	5	216	5	216	5	42	42	-	5	-	
6	4.1 Street and Area Lighting	-	36	146	36	35	35	33	32	33	32	33	-	-	1	33	-	
7	Total	-	5,736	24,953	5,736	5,455	5,455	1,040	5,037	1,040	5,037	1,040	1,832	1,832	1	1,040	0	
Ratios																		
8	1.1 Domestic Diesel	-	0.2091	0.1780	0.2091	0.2091	0.2091	0.3915	0.2091	0.3915	0.2091	0.3915	0.2222	0.2222	-	0.3915	-	
9	1.12 Domestic All Electric	-	0.4958	0.4556	0.4958	0.4958	0.4958	0.3713	0.4958	0.3713	0.4958	0.3713	0.2107	0.2107	-	0.3713	-	
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	2.2 GS 10-100 kW	-	0.2459	0.2782	0.2459	0.2459	0.2459	0.2011	0.2459	0.2011	0.2459	0.2011	0.5442	0.5442	-	0.2011	-	
12	2.3 GS 110-1,000 kVa	-	0.0428	0.0824	0.0428	0.0428	0.0428	0.0048	0.0428	0.0048	0.0428	0.0048	0.0230	0.0230	-	0.0048	-	
13	4.1 Street and Area Lighting	-	0.0064	0.0059	0.0064	0.0064	0.0064	0.0313	0.0064	0.0313	0.0064	0.0313	-	-	1.0000	0.0313	-	
14	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	Revenue Related	
		18 Municipal Tax (Prior Year (Rural Revenues)	19 PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.1 Domestic Diesel	570,211	570,211
2	1.12 Domestic All Electric	1,122,691	1,122,691
3	2.1 GS 0-10 kW	-	-
4	2.2 GS 10-100 kW	709,945	709,945
5	2.3 GS 110-1,000 kVa	272,034	272,034
6	4.1 Street and Area Lighting	45,335	45,335
7	Total	2,720,217	2,720,217
Ratios			
8	1.1 Domestic Diesel	0.2096	0.2096
9	1.12 Domestic All Electric	0.4127	0.4127
10	2.1 GS 0-10 kW	-	-
11	2.2 GS 10-100 kW	0.2610	0.2610
12	2.3 GS 110-1,000 kVa	0.1000	0.1000
13	4.1 Street and Area Lighting	0.0167	0.0167
14	Total	1.0000	1.0000

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2D
Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Transmission Energy (\$)	4 Transmsn Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lightin Customer (\$)		
Allocated Revenue Requirement Excluding Return																	
1	1.1 Domestic Diesel	1,056,102	185,542	577,232	-	2,101	91,513	49,964	5,631	18,663	16,353	32,888	5,496	8,285	-	46,530	-
2	1.12 Domestic All Electric	2,376,590	439,918	1,477,804	-	4,982	216,976	47,386	13,351	17,700	38,773	31,191	5,213	7,858	-	44,129	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,386,134	218,213	902,388	-	2,471	107,627	25,657	6,623	9,584	19,233	16,889	13,463	20,295	-	23,894	-
5	2.3 GS 110-1,000 kVa	339,693	38,013	267,167	-	430	18,749	614	1,154	229	3,350	404	569	857	-	572	-
6	4.1 Street and Area Lighting	53,048	5,637	19,004	-	64	2,780	3,990	171	1,490	497	2,626	-	-	11,809	3,716	-
7	Total	5,211,567	887,323	3,243,595	-	10,048	437,645	127,610	26,929	47,667	78,206	83,998	24,741	37,295	11,809	118,841	-
Allocated Return on Debt and Equity																	
8	1.1 Domestic Diesel	172,194	64,063	526	-	1,141	41,421	23,751	2,497	8,275	6,736	14,438	5,018	2,746	-	1,584	-
9	1.12 Domestic All Electric	328,974	151,892	1,346	-	2,706	98,208	22,526	5,919	7,848	15,970	13,693	4,759	2,605	-	1,502	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	180,770	75,343	822	-	1,342	48,714	12,197	2,936	4,249	7,922	7,414	12,291	6,727	-	813	-
12	2.3 GS 110-1,000 kVa	25,373	13,125	243	-	234	8,486	292	511	102	1,380	177	519	284	-	19	-
13	4.1 Street and Area Lighting	10,805	1,946	17	-	35	1,258	1,897	76	661	205	1,153	-	-	3,431	126	-
14	Total	718,116	306,370	2,954	-	5,459	198,088	60,662	11,940	21,134	32,212	36,874	22,586	12,362	3,431	4,045	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.1 Domestic Diesel	15,118	783	
2	1.12 Domestic All Electric	29,767	1,542	
3	2.1 GS 0-10 kW	-	-	
4	2.2 GS 10-100 kW	18,823	975	
5	2.3 GS 110-1,000 kVa	7,213	374	
6	4.1 Street and Area Lighting	1,202	62	
7	Total	72,123	3,737	
Allocated Return on Debt and Equity				
8	1.1 Domestic Diesel	-	-	
9	1.12 Domestic All Electric	-	-	
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	-	-	
12	2.3 GS 110-1,000 kVa	-	-	
13	4.1 Street and Area Lighting	-	-	
14	Total	-	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Demand (\$)	12 Customer (\$)	13 Services Customer (\$)	
Total Revenue Requirement																	
1	1.1 Domestic Diesel	1,228,296	249,605	577,758	-	3,242	132,934	73,715	8,128	26,938	23,089	47,326	10,514	11,031	-	48,114	-
2	1.12 Domestic All Electric	2,705,564	591,811	1,479,150	-	7,688	315,184	69,912	19,271	25,548	54,743	44,884	9,971	10,462	-	45,631	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,566,904	293,556	903,210	-	3,813	156,341	37,854	9,559	13,833	27,154	24,302	25,754	27,022	-	24,707	-
5	2.3 GS 110-1,000 kVa	365,066	51,137	267,411	-	664	27,235	906	1,665	331	4,730	581	1,087	1,141	-	591	-
6	4.1 Street and Area Lighting	63,853	7,583	19,021	-	99	4,039	5,886	247	2,151	701	3,779	-	-	15,240	3,842	-
7	Total	5,929,683	1,193,693	3,246,549	-	15,507	635,732	188,272	38,869	68,801	110,419	120,873	47,327	49,656	15,240	122,886	-
Re-classification of Revenue-Related																	
8	1.1 Domestic Diesel	0	3,274	7,578	-	43	1,744	967	107	353	303	621	138	145	-	631	-
9	1.12 Domestic All Electric	(0)	6,929	17,317	-	90	3,690	818	226	299	641	525	117	122	-	534	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	(0)	3,757	11,558	-	49	2,001	484	122	177	347	311	330	346	-	316	-
12	2.3 GS 110-1,000 kVa	(0)	1,085	5,675	-	14	578	19	35	7	100	12	23	24	-	13	-
13	4.1 Street and Area Lighting	0	153	384	-	2	82	119	5	43	14	76	-	-	308	78	-
14	Total	(0)	15,197	42,512	-	197	8,094	2,408	495	880	1,406	1,546	607	637	308	1,572	-
Total Allocated Revenue Requirement																	
15	1.1 Domestic Diesel	1,228,296	252,879	585,336	-	3,285	134,677	74,682	8,234	27,291	23,392	47,947	10,652	11,176	-	48,745	-
16	1.12 Domestic All Electric	2,705,564	598,739	1,496,467	-	7,778	318,874	70,730	19,496	25,847	55,384	45,409	10,088	10,585	-	46,166	-
17	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	2.2 GS 10-100 kW	1,566,904	297,313	914,768	-	3,862	158,342	38,338	9,681	14,010	27,502	24,613	26,084	27,367	-	25,023	-
19	2.3 GS 110-1,000 kVa	365,066	52,223	273,085	-	678	27,812	925	1,700	338	4,831	594	1,111	1,165	-	604	-
20	4.1 Street and Area Lighting	63,853	7,737	19,405	-	101	4,120	6,005	252	2,195	716	3,855	-	-	15,548	3,920	-
21	Total	5,929,683	1,208,890	3,289,061	-	15,704	643,826	190,680	39,364	69,681	111,824	122,419	47,934	50,293	15,548	124,457	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	Basis of Proration
			Revenue Related			
			Municipal	PUB		
			Tax	Assessment		
			(\$)	(\$)		
		Total Revenue Requirement				
1		1.1 Domestic Diesel	15,118	783		
2		1.12 Domestic All Electric	29,767	1,542		
3		2.1 GS 0-10 kW	-	-		
4		2.2 GS 10-100 kW	18,823	975		
5		2.3 GS 110-1,000 kVa	7,213	374		
6		4.1 Street and Area Lighting	1,202	62		
7		Total	72,123	3,737		
		Re-classification of Revenue-Related				
8		1.1 Domestic Diesel	(15,118)	(783)		Re-classification to demand, energy and customer is based on rate class revenue
9		1.12 Domestic All Electric	(29,767)	(1,542)		requirements excluding revenue-related items.
10		2.1 GS 0-10 kW	-	-		
11		2.2 GS 10-100 kW	(18,823)	(975)		
12		2.3 GS 110-1,000 kVa	(7,213)	(374)		
13		4.1 Street and Area Lighting	(1,202)	(62)		
14		Total	(72,123)	(3,737)		
		Total Allocated Revenue Requirement				
15		1.1 Domestic Diesel	-	-		
16		1.12 Domestic All Electric	-	-		
17		2.1 GS 0-10 kW	-	-		
18		2.2 GS 10-100 kW	-	-		
19		2.3 GS 110-1,000 kVa	-	-		
20		4.1 Street and Area Lighting	-	-		
21		Total	-	-		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations		7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters			12 Street Lighting
						Demand (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)			Customer (\$)
Expenses																		
1	Operating & Maintenance	11,297,972	923,746	-	4,320,205	726,760	1,395,800	367,375	301,681	534,001	193,381	213,924	93,622	195,012	41,765	1,486,078	-	
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Fuels-Diesel	74,521	74,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuels-Gas Turbine	199,303	199,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Power Purchases -CF(L)Co	1,856,851	542,700	1,314,151	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Depreciation	3,487,228	381,913	-	685,269	677,730	510,461	147,313	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-	
Expense Credits																		
8	Sundry	(57,015)	(4,662)	-	(21,802)	(3,668)	(7,044)	(1,854)	(1,522)	(2,695)	(976)	(1,080)	(472)	(984)	(211)	(7,500)	-	
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Suppliers' Discounts	(8,882)	(726)	-	(3,396)	(571)	(1,097)	(289)	(237)	(420)	(152)	(168)	(74)	(153)	(33)	(1,168)	-	
12	Pole Attachments	(255,733)	-	-	-	-	(147,903)	(50,546)	-	-	(26,179)	(31,105)	-	-	-	-	-	
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Application Fees	(13,016)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,016)	-	
16	Meter Test Revenues	(943)	-	-	-	-	-	-	-	-	-	-	-	(943)	-	-	-	
17	Total Expense Credits	(335,589)	(5,388)	-	(25,198)	(4,239)	(156,044)	(52,689)	(1,760)	(3,115)	(27,307)	(32,353)	(546)	(2,080)	(244)	(21,684)	-	
18	Subtotal Expenses	16,580,285	2,116,795	1,314,151	4,980,275	1,400,251	1,750,217	461,999	515,778	912,970	253,380	276,910	143,441	314,046	86,971	1,551,421	-	
19	Disposal Gain / Loss	41,737	3,781	-	6,085	8,422	8,346	2,458	2,362	4,181	1,559	1,668	1,186	775	223	691	-	
20	Subtotal Revenue Requirement Ex. Return	16,622,022	2,120,575	1,314,151	4,986,360	1,408,674	1,758,563	464,457	518,140	917,151	254,939	278,578	144,627	314,822	87,194	1,552,112	-	
21	Return on Debt	4,328,147	410,358	-	634,074	865,016	862,911	253,648	243,201	430,486	160,450	171,783	121,450	80,084	23,108	71,579	-	
22	Return on Equity	1,675,149	158,823	-	245,409	334,792	333,978	98,171	94,127	166,613	62,100	66,486	47,006	30,995	8,944	27,704	-	
23	Total Revenue Requirement	22,625,318	2,689,757	1,314,151	5,865,843	2,608,482	2,955,452	816,276	855,468	1,514,250	477,489	516,847	313,082	425,900	119,246	1,651,395	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
	Expenses			
1	Operating & Maintenance	480,471	24,151	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	
3	Fuels-Diesel	-	-	Production - Demand
4	Fuels-Gas Turbine	-	-	Production - Demand
5	Power Purchases -CF(L)Co	-	-	Carryforward from Sch.4.4 L.9
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.10
7	Depreciation	-	-	Carryforward from Sch.2.5 L.24
	Expense Credits			
8	Sundry	(2,425)	(122)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.18
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(378)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(2,802)	(141)	
18	Subtotal Expenses	477,669	24,010	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.24
20	Subtotal Revenue Requirement Ex. Return	477,669	24,010	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	477,669	24,010	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Gas Turbines	23,666,030	23,666,030	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	3,323,334	3,323,334	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	26,989,364	26,989,364	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Lines	17,100,852	-	-	17,100,852	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,092,147	-	-	6,420,032	11,672,115	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	35,192,999	-	-	23,520,884	11,672,115	-	-	-	-	-	-	-	-	-	-	
Distribution																	
7	Substations	5,667,946	-	-	-	5,667,946	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	1,083,634	-	-	-	-	817,006	104,083	-	-	94,764	67,781	-	-	-	-	
9	Poles	30,428,760	-	-	-	-	17,598,412	6,014,305	-	-	3,114,931	3,701,111	-	-	-	-	
10	Primary Conductor & Eqpt	9,200,174	-	-	-	-	8,160,554	1,039,620	-	-	-	-	-	-	-	-	
11	Submarine Conductor	620,108	-	-	-	-	620,108	-	-	-	-	-	-	-	-	-	
12	Transformers	16,282,605	-	-	-	-	-	-	5,878,020	10,404,585	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	957,432	-	-	-	-	-	-	-	-	558,183	399,249	-	-	-	-	
14	Services	1,824,154	-	-	-	-	-	-	-	-	-	-	1,824,154	-	-	-	
15	Meters	2,288,365	-	-	-	-	-	-	-	-	-	-	-	2,288,365	-	-	
16	Street Lighting	813,762	-	-	-	-	-	-	-	-	-	-	-	-	813,762	-	
17	Subtotal Distribution	69,166,939	-	-	-	5,667,946	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
18	Subttl Prod, Trans, & Dist	131,349,302	26,989,364	-	23,520,884	17,340,061	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
19	General	16,334,186	1,039,489	-	7,136,203	899,853	1,912,135	503,274	413,279	731,538	264,917	293,059	128,255	297,178	57,215	2,657,793	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	274,767	56,458	-	49,203	36,273	56,891	14,974	12,296	21,765	7,882	8,719	3,816	4,787	1,702	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Plant	147,958,255	28,085,312	-	30,706,290	18,276,187	29,165,106	7,676,255	6,303,596	11,157,888	4,040,676	4,469,919	1,956,225	2,590,329	872,679	2,657,793	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.2E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2015 Revenue Deficiency
 Labrador Interconnected
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.9
2	Diesel	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	
	Transmission	
4	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
5	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
6	Subtotal Transmission	
	Distribution	
7	Substations	Production - Demand; Dist Subsns - Demand
8	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
9	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
10	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
11	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
12	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
13	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
14	Services	Services Customer
15	Meters	Meters - Customer
16	Street Lighting	Street Lighting - Customer
17	Subtotal Distribution	
18	Subttl Prod, Trans, & Dist	
19	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
20	Telecontrol - Specific	Specifically Assigned - Customer
21	Feasibility Studies	Production, Transmission - Demand
22	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.18
23	Software - Cust Acctng	
24	Total Plant	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)			12 Street Lighting Customer (\$)
						6 Demand (\$)	7 Customer (\$)	8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)			
Production																		
1	Gas Turbines	6,276,550	6,276,550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	580,257	580,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	6,856,807	6,856,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
4	Lines	6,436,357	-	-	6,436,357	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	16,727,046	-	-	1,825,173	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	23,163,403	-	-	8,261,530	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
Distribution																		
7	Substations	1,092,384	-	-	-	1,092,384	-	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	482,081	-	-	-	-	363,465	46,304	-	-	42,158	30,154	-	-	-	-	-	
9	Poles	21,235,511	-	-	-	-	12,281,515	4,197,241	-	-	2,173,837	2,582,918	-	-	-	-	-	
10	Primary Conductor & Eqpt	2,669,641	-	-	-	-	2,367,972	301,669	-	-	-	-	-	-	-	-	-	
11	Submarine Conductor	317,759	-	-	-	-	317,759	-	-	-	-	-	-	-	-	-	-	
12	Transformers	12,198,757	-	-	-	-	-	-	4,403,751	7,795,006	-	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	1,191,190	-	-	-	-	-	-	-	-	694,464	496,726	-	-	-	-	-	
14	Services	2,250,759	-	-	-	-	-	-	-	-	-	-	2,250,759	-	-	-	-	
15	Meters	1,363,148	-	-	-	-	-	-	-	-	-	-	-	1,363,148	-	-	-	
16	Street Lighting	406,579	-	-	-	-	-	-	-	-	-	-	-	-	406,579	-	-	
17	Subtotal Distribution	43,207,809	-	-	-	1,092,384	15,330,711	4,545,215	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
18	Subttl Prod, Trans, & Dist	73,228,019	6,856,807	-	8,261,530	15,994,257	15,330,711	4,545,215	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
19	General	8,323,495	529,698	-	3,636,431	458,542	974,376	256,456	210,597	372,774	134,995	149,335	65,355	151,434	29,155	1,354,345	-	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	243,208	22,773	-	27,439	53,121	50,917	15,096	14,626	25,889	9,666	10,328	7,475	4,527	1,350	-	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Net Book Value	81,794,722	7,409,278	-	11,925,400	16,505,920	16,356,004	4,816,766	4,628,974	8,193,668	3,055,120	3,269,462	2,323,590	1,519,109	437,085	1,354,345	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
Production																	
1	Gas Turbine / Diesel	390,996	390,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	59,743	59,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	450,738	450,738	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	2,894,754	-	-	2,894,754	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	252,281	-	-	89,522	162,758	-	-	-	-	-	-	-	-	-	-	-
6	Other	164,722	-	-	110,091	54,632	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	3,311,757	-	-	3,094,366	217,390	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	2,038,937	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	-	24,809	-	-
9	Meters	128,861	-	-	-	-	-	-	-	-	-	-	-	128,861	-	-	-
10	Subtotal Distribution	2,167,798	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	-
11	Subttl Prod, Trans, & Dist	5,930,293	450,738	-	3,094,366	390,190	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	-
12	Customer Accounting	1,152,459	-	-	-	-	-	-	-	-	-	-	-	-	-	1,152,459	-
Administrative & General:																	
Plant-Related:																	
13	Production	179,997	179,997	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	228,756	-	-	152,886	75,869	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	500,419	-	-	-	41,007	196,762	51,788	42,527	75,277	27,260	30,156	13,198	16,556	5,888	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn & General Plt	601,388	114,155	-	124,808	74,285	118,544	31,201	25,621	45,352	16,424	18,168	7,951	10,529	3,547	10,803	-
18	Property Insurance	104,908	43,833	-	21,200	28,524	2,990	787	646	1,144	414	458	201	465	89	4,156	-
Revenue-Related:																	
19	Municipal Tax	480,471	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	24,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	1,958,407	124,631	-	855,604	107,889	229,258	60,341	49,551	87,709	31,762	35,137	15,377	35,630	6,860	318,659	-
22	Prod,Trans & Distn Expense-Related	136,723	10,392	-	71,341	8,996	19,116	5,031	4,132	7,313	2,648	2,930	1,282	2,971	572	-	-
23	Subtotal Admin & General	4,215,220	473,007	-	1,225,839	336,570	566,670	149,147	122,477	216,795	78,509	86,849	38,009	66,151	16,956	333,618	-
24	Total Operating & Maintenance Expenses	11,297,972	923,746	-	4,320,205	726,760	1,395,800	367,375	301,681	534,001	193,381	213,924	93,622	195,012	41,765	1,486,078	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.4E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Production			
1	Gas Turbine / Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	-	-	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.6
7	Subtotal Transmission	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 17, less L. 15
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	-	-	
11	Subttl Prod, Trans, & Dist	-	-	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.3
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L. 6
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18
17	Prod, Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 20
	Revenue-Related:			
19	Municipal Tax	480,471	-	Revenue-related
20	PUB Assessment	-	24,151	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 11, 12
22	Prod,Trans & Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	480,471	24,151	
24	Total Operating & Maintenance Expenses	480,471	24,151	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO																	
2015 Test Year Cost of Service for 2015 Revenue Deficiency																	
Labrador Interconnected																	
Functional Classification of Depreciation Expense																	
1	2	3	4	5	Distribution										16	17	
					6	7		9		11		12	13	14			15
Line No.	Description	Total Amount (\$)	Production Demand (\$)	Production Energy (\$)	Transmission Demand (\$)	Substations Demand (\$)	Primary Lines Demand (\$)	Customer (\$)	Line Transformers Demand (\$)	Customer (\$)	Secondary Lines Demand (\$)	Customer (\$)	Services Customer (\$)	Meters Customer (\$)	Street Lighting Customer (\$)	Accounting Customer (\$)	Specifically Assigned Customer (\$)
Production																	
1	Gas Turbines	320,518	320,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	21,377	21,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	341,896	341,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Lines	318,196	-	-	318,196	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	693,857	-	-	125,641	568,216	-	-	-	-	-	-	-	-	-	-	-
6	Subtotal Transmission	1,012,053	-	-	443,837	568,216	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
7	Substations	68,905	-	-	-	68,905	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	14,988	-	-	-	-	11,300	1,440	-	-	1,311	937	-	-	-	-	-
9	Poles	598,894	-	-	-	-	346,369	118,373	-	-	61,308	72,845	-	-	-	-	-
10	Primary Conductor & Eqpt	77,637	-	-	-	-	68,864	8,773	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	13,618	-	-	-	-	13,618	-	-	-	-	-	-	-	-	-	-
12	Transformers	550,820	-	-	-	-	-	-	198,846	351,974	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	25,148	-	-	-	-	-	-	-	-	14,661	10,487	-	-	-	-	-
14	Services	45,372	-	-	-	-	-	-	-	-	-	-	45,372	-	-	-	-
15	Meters	109,470	-	-	-	-	-	-	-	-	-	-	-	109,470	-	-	-
16	Street Lighting	42,827	-	-	-	-	-	-	-	-	-	-	-	-	42,827	-	-
17	Subtotal Distribution	1,547,678	-	-	-	68,905	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
18	Subtl Prod, Trans, & Dist	2,901,627	341,896	-	443,837	637,121	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
19	General	534,848	34,037	-	233,669	29,465	62,611	16,479	13,532	23,954	8,674	9,596	4,200	9,731	1,873	87,027	-
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	50,752	5,980	-	7,763	11,144	7,699	2,249	3,478	6,156	1,352	1,474	794	1,915	749	-	-
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Depreciation Expense	3,487,228	381,913	-	685,269	677,730	510,461	147,313	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Rate Base

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	8 Demand (\$)	9 Customer (\$)	9 Demand (\$)	10 Customer (\$)					
1	Average Net Book Value	81,794,722	7,409,278	-	11,925,400	16,505,920	16,356,004	4,816,766	4,628,974	8,193,668	3,055,120	3,269,462	2,323,590	1,519,109	437,085	1,354,345	-
2	Cash Working Capital	373,830	33,863	-	54,503	75,438	74,752	22,014	21,156	37,448	13,963	14,943	10,620	6,943	1,998	6,190	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	37,715	37,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	206,011	206,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	1,600,902	303,882	-	332,241	197,748	315,565	83,057	68,205	120,728	43,720	48,364	21,166	28,027	9,442	28,757	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	5,991,260	542,711	-	873,506	1,209,018	1,198,037	352,816	339,061	600,166	223,780	239,480	170,197	111,271	32,015	99,202	-
8	Total Rate Base	90,004,439	8,533,459	-	13,185,650	17,988,123	17,944,359	5,274,653	5,057,395	8,952,010	3,336,583	3,572,249	2,525,573	1,665,350	480,540	1,488,494	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	90,004,439	8,533,459	-	13,185,650	17,988,123	17,944,359	5,274,653	5,057,395	8,952,010	3,336,583	3,572,249	2,525,573	1,665,350	480,540	1,488,494	-
11	Return on Debt	4,328,147	410,358	-	634,074	865,016	862,911	253,648	243,201	430,486	160,450	171,783	121,450	80,084	23,108	71,579	-
12	Return on Equity	1,675,149	158,823	-	245,409	334,792	333,978	98,171	94,127	166,613	62,100	66,486	47,006	30,995	8,944	27,704	-
13	Return on Rate Base	6,003,296	569,182	-	879,483	1,199,808	1,196,889	351,819	337,328	597,099	222,550	238,269	168,456	111,079	32,052	99,283	-

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 2.6E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 24
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Demand
5	Fuel Inventory - Gas Turbine	Production - Demand
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 24
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand	4 Production Energy	5 Transmission Demand	6-15 Distribution											16 Accounting Customer	17 Specifically Assigned Customer
						6 Substations Demand		7 Primary Lines Demand		8 Line Transformers Demand		9 Secondary Lines Demand		10 Services Customer	11 Meters Customer	12 Street Lighting Customer		
						(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)		
Amounts			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wld Rural Cust)		(Rural Cust)			
1	CFB - Goose Bay Secondary	-	-	10,973	-	-	-	-	-	-	-	-	-	-	-	-		
2	IOCC Firm	-	273,606	1,925,673	243,000	-	-	1	-	-	-	-	-	-	-	-		
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																		
4	1.1Domestic	-	662	2,462	588	569	569	360	540	360	540	360	360	360	-	360		
5	1.1A Domestic All Electric	-	83,785	356,271	74,412	72,008	72,008	9,442	68,372	9,442	68,372	9,442	9,442	9,442	-	9,442		
6	2.1GS 0-10 kW	-	1,355	7,536	1,203	1,164	1,164	515	1,105	515	1,105	515	967	967	-	515		
7	2.2GS 10-100 kW	-	17,297	84,020	15,362	14,866	14,866	728	14,032	728	14,032	728	3,470	3,470	-	728		
8	2.3GS 110-1,000 kVa	-	27,494	129,670	24,418	23,629	23,629	164	22,029	164	22,029	164	1,383	1,383	-	164		
9	2.4GS Over 1,000 kVa	-	27,058	158,274	24,031	23,255	23,255	6	15,536	6	15,536	6	51	51	-	6		
10	4.1Street and Area Lighting	-	521	2,021	463	448	448	385	425	385	425	385	-	-	1	385		
11	Subtotal Rural		158,171	740,254	140,477	135,938	135,938	11,600	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
12	Total Labrador Interconnected		431,777	2,676,900	383,477	135,938	135,938	11,601	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
Ratios																		
13	CFB - Goose Bay Boiler	-	-	0.0041	-	-	-	-	-	-	-	-	-	-	-	-		
14	IOCC Firm	-	0.6337	0.7194	0.6337	-	-	0.0001	-	-	-	-	-	-	-	-		
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios																		
16	1.1Domestic	-	0.0015	0.0009	0.0015	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
17	1.1A Domestic All Electric	-	0.1940	0.1331	0.1940	0.5297	0.5297	0.8139	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
18	2.1GS 0-10 kW	-	0.0031	0.0028	0.0031	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
19	2.2GS 10-100 kW	-	0.0401	0.0314	0.0401	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
20	2.3GS 110-1,000 kVa	-	0.0637	0.0484	0.0637	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
21	2.4GS Over 1,000 kVa	-	0.0627	0.0591	0.0627	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
22	4.1Street and Area Lighting	-	0.0012	0.0008	0.0012	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
23	Subtotal Rural		0.3663	0.2765	0.3663	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
24	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Ratios Excluding IOCC																		
25	CFB - Goose Bay Boiler	-	-	0.0146	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios Excluding IOCC																		
26	1.1Domestic	-	0.0042	0.0033	0.0042	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
27	1.1A Domestic All Electric	-	0.5297	0.4743	0.5297	0.5297	0.5297	0.8140	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
28	2.1GS 0-10 kW	-	0.0086	0.0100	0.0086	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
29	2.2GS 10-100 kW	-	0.1094	0.1118	0.1094	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
30	2.3GS 110-1,000 kVa	-	0.1738	0.1726	0.1738	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
31	2.4GS Over 1,000 kVa	-	0.1711	0.2107	0.1711	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
32	4.1Street and Area Lighting	-	0.0033	0.0027	0.0033	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
33	Subtotal Rural		1.0000	0.9854	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
34	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.1E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		Revenue Related	
		18 Municipal Tax (Prior Year) (Rural Revenues)	19 PUB Assessment (Prior Year) (Revenues + RSP)
1	CFB - Goose Bay Secondary	-	333,112
2	IOCC Firm	-	-
3	IOCC Non-Firm	-	-
	Rural		
4	1.1Domestic	102,994	102,994
5	1.1A Domestic All Electric	10,056,863	10,056,863
6	2.1GS 0-10 kW	398,087	398,087
7	2.2GS 10-100 kW	2,191,392	2,191,392
8	2.3GS 110-1,000 kVa	2,999,815	2,999,815
9	2.4GS Over 1,000 kVa	1,974,167	1,104,411
10	4.1Street and Area Lighting	292,637	292,637
11	Subtotal Rural	18,015,954	17,146,198
12	Total Labrador Interconnected	18,015,954	17,479,310
	Ratios		
13	CFB - Goose Bay Boiler	-	0.0191
14	IOCC Firm	-	-
15	IOCC Non-Firm	-	-
	Rural		
16	1.1Domestic	0.0057	0.0059
17	1.1A Domestic All Electric	0.5582	0.5754
18	2.1GS 0-10 kW	0.0221	0.0228
19	2.2GS 10-100 kW	0.1216	0.1254
20	2.3GS 110-1,000 kVa	0.1665	0.1716
21	2.4GS Over 1,000 kVa	0.1096	0.0632
22	4.1Street and Area Lighting	0.0162	0.0167
23	Subtotal Rural	1.0000	0.9809
24	Total Labrador Interconnected	1.0000	1.0000
	Ratios Excluding IOCC		
25	CFB - Goose Bay Boiler	-	0.0191
	Rural		
26	1.1Domestic	0.0057	0.0059
27	1.1A Domestic All Electric	0.5582	0.5754
28	2.1GS 0-10 kW	0.0221	0.0228
29	2.2GS 10-100 kW	0.1216	0.1254
30	2.3GS 110-1,000 kVa	0.1665	0.1716
31	2.4GS Over 1,000 kVa	0.1096	0.0632
32	4.1Street and Area Lighting	0.0162	0.0167
33	Subtotal Rural	1.0000	0.9809
34	Total Labrador Interconnected	1.0000	1.0000

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution											16 Accounting (\$)	17 Specifically Assigned Customer (\$)
						6 Substations		7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters	12 Street Lighting		
						Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)		
1	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	IOCC Firm	4,159,633	999,860	-	3,159,732	-	-	40	-	-	-	-	-	-	-	-	-	
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
4	1.1Domestic	146,438	4,690	4,307	7,645	5,896	7,360	14,413	2,294	28,464	1,128	8,646	3,322	7,231	-	48,170	-	
5	1.1A Domestic All Electric	7,467,291	593,655	623,238	967,585	746,190	931,530	378,028	290,287	746,545	142,829	226,758	87,131	189,665	-	1,263,393	-	
6	2.1GS 0-10 kW	254,614	9,598	13,182	15,644	12,064	15,061	20,619	4,693	40,719	2,309	12,368	8,923	19,423	-	68,910	-	
7	2.2GS 10-100 kW	1,268,837	122,556	146,980	199,751	154,046	192,308	29,127	59,576	57,521	29,313	17,472	32,024	69,709	-	97,344	-	
8	2.3GS 110-1,000 kVa	1,598,923	194,807	226,837	317,512	244,861	305,680	6,576	93,527	12,987	46,018	3,945	12,761	27,779	-	21,978	-	
9	2.4GS Over 1,000 kVa	1,478,300	191,719	276,875	312,478	240,979	300,834	240	65,959	474	32,454	144	466	1,015	-	803	-	
10	4.1Street and Area Lighting	228,332	3,690	3,535	6,014	4,638	5,790	15,414	1,804	30,441	888	9,246	-	-	87,194	51,515	-	
11	Subtotal Rural	12,442,736	1,120,715	1,294,955	1,826,628	1,408,674	1,758,563	464,417	518,140	917,151	254,939	278,578	144,627	314,822	87,194	1,552,112	-	
12	Total	16,622,022	2,120,575	1,314,151	4,986,360	1,408,674	1,758,563	464,457	518,140	917,151	254,939	278,578	144,627	314,822	87,194	1,552,112	-	
Allocated Return on Debt																		
13	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	IOCC Firm	661,852	260,034	-	401,797	-	-	22	-	-	-	-	-	-	-	-	-	
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
16	1.1Domestic	44,033	629	-	972	3,620	3,611	7,871	1,077	13,360	710	5,331	2,790	1,840	-	2,221	-	
17	1.1A Domestic All Electric	2,220,477	79,628	-	123,040	458,208	457,093	206,448	136,253	350,408	89,892	139,828	73,168	48,247	-	58,264	-	
18	2.1GS 0-10 kW	75,342	1,287	-	1,989	7,408	7,390	11,260	2,203	19,112	1,453	7,627	7,493	4,941	-	3,178	-	
19	2.2GS 10-100 kW	380,002	16,439	-	25,401	94,594	94,364	15,907	27,964	26,999	18,449	10,774	26,892	17,732	-	4,489	-	
20	2.3GS 110-1,000 kVa	470,636	26,130	-	40,375	150,360	149,995	3,591	43,899	6,096	28,962	2,432	10,716	7,066	-	1,014	-	
21	2.4GS Over 1,000 kVa	413,558	25,716	-	39,735	147,977	147,617	131	30,959	223	20,425	89	391	258	-	37	-	
22	4.1Street and Area Lighting	62,246	495	-	765	2,848	2,841	8,418	847	14,288	559	5,702	-	-	23,108	2,376	-	
23	Subtotal Rural	3,666,295	150,324	-	232,277	865,016	862,911	253,626	243,201	430,486	160,450	171,783	121,450	80,084	23,108	71,579	-	
24	Total	4,328,147	410,358	-	634,074	865,016	862,911	253,648	243,201	430,486	160,450	171,783	121,450	80,084	23,108	71,579	-	
Allocated Return on Equity																		
25	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	IOCC Firm	256,161	100,642	-	155,510	-	-	8	-	-	-	-	-	-	-	-	-	
27	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
28	1.1Domestic	17,042	243	-	376	1,401	1,398	3,046	417	5,171	275	2,063	1,080	712	-	860	-	
29	1.1A Domestic All Electric	859,404	30,819	-	47,621	177,343	176,912	79,903	52,735	135,621	34,791	54,119	28,319	18,673	-	22,550	-	
30	2.1GS 0-10 kW	29,160	498	-	770	2,867	2,860	4,358	853	7,397	562	2,952	2,900	1,912	-	1,230	-	
31	2.2GS 10-100 kW	147,074	6,362	-	9,831	36,611	36,522	6,156	10,823	10,449	7,140	4,170	10,408	6,863	-	1,737	-	
32	2.3GS 110-1,000 kVa	182,153	10,113	-	15,627	58,195	58,053	1,390	16,990	2,359	11,209	941	4,148	2,735	-	392	-	
33	2.4GS Over 1,000 kVa	160,062	9,953	-	15,379	57,272	57,133	51	11,982	86	7,905	34	152	100	-	14	-	
34	4.1Street and Area Lighting	24,092	192	-	296	1,102	1,100	3,258	328	5,530	216	2,207	-	-	8,944	919	-	
35	Subtotal Rural	1,418,988	58,181	-	89,900	334,792	333,978	98,163	94,127	166,613	62,100	66,486	47,006	30,995	8,944	27,704	-	
36	Total	1,675,149	158,823	-	245,409	334,792	333,978	98,171	94,127	166,613	62,100	66,486	47,006	30,995	8,944	27,704	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2E
Page 2 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal	PUB	
		Tax	Assessment	
	Allocated Rev Reqmt Excl Return	(\$)	(\$)	
1	CFB - Goose Bay Boiler	-	458	
2	IOCC Firm	-	-	
3	IOCC Non-Firm	-	-	
	Rural:			
4	1.1Domestic	2,731	141	
5	1.1A Domestic All Electric	266,644	13,814	
6	2.1GS 0-10 kW	10,555	547	
7	2.2GS 10-100 kW	58,102	3,010	
8	2.3GS 110-1,000 kVa	79,536	4,121	
9	2.4GS Over 1,000 kVa	52,342	1,517	
10	4.1Street and Area Lighting	7,759	402	
11	Subtotal Rural	477,669	23,552	
12	Total	477,669	24,010	
	Allocated Return on Debt			
13	CFB - Goose Bay Boiler	-	-	
14	IOCC Firm	-	-	
15	IOCC Non-Firm	-	-	
	Rural:			
16	1.1Domestic	-	-	
17	1.1A Domestic All Electric	-	-	
18	2.1GS 0-10 kW	-	-	
19	2.2GS 10-100 kW	-	-	
20	2.3GS 110-1,000 kVa	-	-	
21	2.4GS Over 1,000 kVa	-	-	
22	4.1Street and Area Lighting	-	-	
23	Subtotal Rural	-	-	
24	Total	-	-	
	Allocated Return on Equity			
25	CFB - Goose Bay Boiler	-	-	
26	IOCC Firm	-	-	
27	IOCC Non-Firm	-	-	
	Rural:			
28	1.1Domestic	-	-	
29	1.1A Domestic All Electric	-	-	
30	2.1GS 0-10 kW	-	-	
31	2.2GS 10-100 kW	-	-	
32	2.3GS 110-1,000 kVa	-	-	
33	2.4GS Over 1,000 kVa	-	-	
34	4.1Street and Area Lighting	-	-	
35	Subtotal Rural	-	-	
36	Total	-	-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Substations Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)		
							7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services		11 Meters				12 Street Lighting	
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)			Demand (\$)	Customer (\$)
37	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-			
38	IOCC Firm	5,077,646	1,360,537	-	3,717,039	-	-	70	-	-	-	-	-	-	-	-	-			
39	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
40	1.1Domestic	207,514	5,563	4,307	8,993	10,917	12,369	25,331	3,787	46,995	2,114	16,040	7,192	9,783	-	51,251	-			
41	1.1A Domestic All Electric	10,547,172	704,102	623,238	1,138,245	1,381,741	1,565,535	664,378	479,274	1,232,574	267,512	420,705	188,618	256,585	-	1,344,207	-			
42	2.1GS 0-10 kW	359,117	11,384	13,182	18,403	22,340	25,311	36,238	7,749	67,229	4,325	22,947	19,315	26,275	-	73,318	-			
43	2.2GS 10-100 kW	1,795,914	145,357	146,980	234,983	285,251	323,194	51,190	98,363	94,969	54,902	32,415	69,324	94,304	-	103,570	-			
44	2.3GS 110-1,000 kVa	2,251,713	231,050	226,837	373,514	453,416	513,728	11,557	154,416	21,441	86,189	7,318	27,625	37,580	-	23,383	-			
45	2.4GS Over 1,000 kVa	2,051,920	227,387	276,875	367,592	446,228	505,584	422	108,901	783	60,784	267	1,009	1,373	-	854	-			
46	4.1Street and Area Lighting	314,670	4,377	3,535	7,075	8,589	9,731	27,090	2,979	50,259	1,663	17,154	-	-	119,246	54,810	-			
47	Subtotal Rural	17,528,019	1,329,220	1,294,955	2,148,805	2,608,482	2,955,452	816,206	855,468	1,514,250	477,489	516,847	313,082	425,900	119,246	1,651,395	-			
48	Total	22,625,318	2,689,757	1,314,151	5,865,843	2,608,482	2,955,452	816,276	855,468	1,514,250	477,489	516,847	313,082	425,900	119,246	1,651,395	-			
Re-classification of Revenue-Related																				
49	CFB - Goose Bay Boiler	-	-	458	-	-	-	-	-	-	-	-	-	-	-	-	-			
50	IOCC Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
51	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
52	1.1Domestic	(0)	78	60	126	153	174	356	53	660	30	225	101	137	-	719	-			
53	1.1A Domestic All Electric	(0)	19,234	17,025	31,094	37,745	42,766	18,149	13,092	33,671	7,308	11,493	5,153	7,009	-	36,720	-			
54	2.1GS 0-10 kW	0	363	421	587	713	807	1,156	247	2,145	138	732	616	838	-	2,339	-			
55	2.2GS 10-100 kW	0	5,121	5,178	8,278	10,049	11,385	1,803	3,465	3,345	1,934	1,142	2,442	3,322	-	3,648	-			
56	2.3GS 110-1,000 kVa	-	8,915	8,753	14,412	17,496	19,823	446	5,958	827	3,326	282	1,066	1,450	-	902	-			
57	2.4GS Over 1,000 kVa	0	6,129	7,463	9,909	12,028	13,628	11	2,936	21	1,638	7	27	37	-	23	-			
58	4.1Street and Area Lighting	(0)	117	94	188	229	259	721	79	1,338	44	457	-	-	3,175	1,459	-			
59	Subtotal Rural	-	39,957	38,994	64,594	78,412	88,843	22,642	25,831	42,007	14,418	14,338	9,405	12,794	3,175	45,811	-			
60	Total	(0)	39,957	39,452	64,594	78,412	88,843	22,642	25,831	42,007	14,418	14,338	9,405	12,794	3,175	45,811	-			
Total Allocated Revenue Requirement																				
61	CFB - Goose Bay Boiler	19,653	-	19,653	-	-	-	-	-	-	-	-	-	-	-	-	-			
62	IOCC Firm	5,077,646	1,360,537	-	3,717,039	-	-	70	-	-	-	-	-	-	-	-	-			
63	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
64	1.1Domestic	207,514	5,641	4,368	9,119	11,070	12,543	25,687	3,840	47,655	2,143	16,266	7,292	9,920	-	51,971	-			
65	1.1A Domestic All Electric	10,547,172	723,336	640,263	1,169,339	1,419,486	1,608,301	682,527	492,366	1,266,244	274,820	432,197	193,770	263,594	-	1,380,927	-			
66	2.1GS 0-10 kW	359,117	11,747	13,603	18,990	23,052	26,119	37,393	7,996	69,373	4,463	23,679	19,931	27,114	-	75,657	-			
67	2.2GS 10-100 kW	1,795,914	150,478	152,157	243,261	295,299	334,579	52,993	101,828	98,314	56,836	33,557	71,766	97,626	-	107,219	-			
68	2.3GS 110-1,000 kVa	2,251,713	239,966	235,590	387,926	470,912	533,551	12,003	160,374	22,269	89,515	7,601	28,691	39,030	-	24,286	-			
69	2.4GS Over 1,000 kVa	2,051,920	233,517	284,338	377,501	458,257	519,212	434	111,836	804	62,423	275	1,036	1,410	-	877	-			
70	4.1Street and Area Lighting	314,670	4,493	3,630	7,264	8,818	9,990	27,811	3,058	51,597	1,707	17,611	-	-	122,421	56,270	-			
71	Subtotal Rural	17,528,019	1,369,178	1,333,949	2,213,399	2,686,894	3,044,295	838,848	881,299	1,556,256	491,907	531,185	322,487	438,694	122,421	1,697,206	-			
72	Total	22,625,318	2,729,714	1,353,603	5,930,438	2,686,894	3,044,295	838,919	881,299	1,556,256	491,907	531,185	322,487	438,694	122,421	1,697,206	-			

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 3.2E
Page 4 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1	18	19	Basis of Proration
		Revenue Related			
		Municipal Tax (\$)	PUB Assessment (\$)		
	Total Revenue Requirement				
37	CFB - Goose Bay Boiler	-		458	
38	IOCC Firm	-		-	
39	IOCC Non-Firm	-		-	
	Rural:				
40	1.1Domestic	2,731		141	
41	1.1A Domestic All Electric	266,644		13,814	
42	2.1GS 0-10 kW	10,555		547	
43	2.2GS 10-100 kW	58,102		3,010	
44	2.3GS 110-1,000 kVa	79,536		4,121	
45	2.4GS Over 1,000 kVa	52,342		1,517	
46	4.1Street and Area Lighting	7,759		402	
47	Subtotal Rural	477,669		23,552	
48	Total	477,669		24,010	
	Re-classification of Revenue-Related				
49	CFB - Goose Bay Boiler	-		(458)	Re-classification to demand, energy and customer is based on rate class revenue
50	IOCC Firm	-		-	requirements excluding revenue-related items.
51	IOCC Non-Firm	-		-	
	Rural:				
52	1.1Domestic	(2,731)		(141)	
53	1.1A Domestic All Electric	(266,644)		(13,814)	
54	2.1GS 0-10 kW	(10,555)		(547)	
55	2.2GS 10-100 kW	(58,102)		(3,010)	
56	2.3GS 110-1,000 kVa	(79,536)		(4,121)	
57	2.4GS Over 1,000 kVa	(52,342)		(1,517)	
58	4.1Street and Area Lighting	(7,759)		(402)	
59	Subtotal Rural	(477,669)		(23,552)	
60	Total	(477,669)		(24,010)	
	Total Allocated Revenue Requirement				
61	CFB - Goose Bay Boiler	-		-	
62	IOCC Firm	-		-	
63	IOCC Non-Firm	-		-	
	Rural:				
64	1.1Domestic	-		-	
65	1.1A Domestic All Electric	-		-	
66	2.1GS 0-10 kW	-		-	
67	2.2GS 10-100 kW	-		-	
68	2.3GS 110-1,000 kVa	-		-	
69	2.4GS Over 1,000 kVa	-		-	
70	4.1Street and Area Lighting	-		-	
71	Subtotal Rural	-		-	
72	Total	-		-	

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Functionalization & Classification Ratios**

Line No.	Description	1 Total Amount (%)	2 3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7 Distribution										17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
							8 Substations Demand (%)	9 Primary Lines Demand Customer (%)		10 Line Transformers Demand Customer (%)		11 Secondary Lines Demand Customer (%)		12 Services Customer (%)	13 Meters Customer (%)	14 Street Lighting Customer (%)		
Generation																		
1	Hydraulic	100%	44.92%	55.08%														
2	Hydraulic - GNP	100%	44.92%	55.08%		0.0%												
3	Holyrood	100%	72.24%	27.76%														
4	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
5	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
6	Dsl / Gas Tur Island Isolated	100%	43.90%	56.10%														
7	Dsl / Gas Tur Labrador Isolated	100%	34.26%	65.74%														
8	Dsl / Gas Tur L'Anse au Loup	100%	100.00%	0.00%														
9	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Fuel																		
10	No. 6 Fuel	100%	0.00%	100.00%														
11	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
12	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
13	Dsl / Gas Tur Island / Lab Isolated	100%	0.00%	100.00%														
14	Dsl / Gas Tur L'Anse au Loup	100%	0.00%	100.00%														
15	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Transmission Lines & Terminals																		
16	Lines	100%		0.00%	100%													
17	Lines - Hydraulic	100%	44.92%	55.08%														
18	Lines - Customer Specific	100%															100%	
19	Terminal Stations	100%		0.00%	100%													
20	Term Stns - Hydraulic	100%	44.92%	55.08%														
21	Term Stns - Holyrood	100%	72.24%	27.76%														
22	Term Stns - Gas Tur	100%	100%															
23	Term Stns - Diesel GNP	100%	100.00%	0.00%		0.0%												
24	Terminal Stations - Distribution	100%					100%											
25	Term Stns - Custmr Specific	100%															100%	
26	Rural Lines	100%				100.0%												
27	Rural Terminal Stations	100%				100.0%												

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Functionalization & Classification Ratios (CONT'D.)

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-13 Distribution						14 Services Customer (%)	15 Meters Customer (%)	16 Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
							7 Substations Demand (%)	8 Primary Lines Demand Customer (%)		9-10 Line Transformers Demand Customer (%)		12-13 Secondary Lines Demand Customer (%)					
	Distribution																
28	Substation Structures & Equipment						100%										
29	Land & Land Improvements - by Sub-function:																
30	Primary	85%						88.7%	11.3%								
31	Secondary	15%										58.3%	41.7%				
32	Land & Land Improvements	100%						75.4%	9.6%			8.7%	6.3%				
33	Poles - by Subfunction:																
34	3 phase - Primary	41.2%						100.0%									
35	Other Primary	36.4%						45.7%	54.3%								
36	Secondary	22.4%										45.7%	54.3%				
37	Poles	100%						57.8%	19.8%			10.2%	12.2%				
38	Primary Conductor & Equip	100%						88.7%	11.3%								
39	Submarine Conductor	100%						100.0%									
40	Transformers	100%								36.1%	63.9%						
41	Secondary Conductor & Equip	100%										58.3%	41.7%				
42	Services	100%												100.0%			
43	Meters	100%													100.0%		
44	Street Lighting	100%														100.0%	
45	Customer Accounting	100%															100.0%

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 4.2
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency**

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)	7,238,900	7,646	44,912	24,953	2,676,900
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	826,358	873	5,127	2,848	305,582
4	Coincident Peak at Generation (kW)	1,500,405	1,556	7,799	5,736	431,777
5	System Load Factor	55.08%	56.10%	65.74%	49.66%	70.77%

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

Schedule 4.3
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Holyrood Capacity Factor**

	1	2	3	4	5
Line No.	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
1	2011 Actual	885,313,869	466	8,760	21.69%
2	2012 Actual	855,826,207	466	8,784	20.93%
3	2013 Actual	957,442,307	466	8,760	23.48%
4	2014 Forecast	1,373,039,000	466	8,760	33.67%
5	2015 Forecast	1,592,992,000	466	8,760	39.07%
6	5-Year Average	1,132,922,677	466	8,765	27.76%

Exhibit 11 - 2015 Test Year Cost of Service for 2015 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Power Purchases**

Line No.	1	2	3	4	5	6	7	
	Total	Production Demand	Production & Transmission Energy	Transmission Demand	Rural Transmission Demand	Distribution Demand		Basis of Functional Classification
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Island Interconnected:								
1	-		-					Production - Energy (Same as RSP Sec Load Var)
2	-		-					Production - Energy (Secondary)
3	693,003					693,003		Rural Transmission
4	2,122,400	2,122,400						Production - Demand
5	-		-					Production - Energy
6	42,562,239	19,120,793	23,441,445					Energy: System Load Factor
7	12,732,178		12,732,178					Production - Energy
8	58,109,820	21,243,193	36,173,623		-	693,003		
Labrador Interconnected:								
9	1,856,851	542,700	1,314,151					Energy: System Load Factor
10	-							
11	1,856,851	542,700	1,314,151		-	-		
Isolated Systems:								
12	-		-					Production - Energy
13	2,657,696		2,657,696					Production - Energy
14	202,500		202,500					Production - Energy
15	2,860,196	0	2,860,196		0	0	0	
16	62,826,867	21,785,893	40,347,970		-	693,003		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Revenue Requirement**

Line No.	1	2	3	4	5	6	7	8
	Description	Total Amount (\$)	Island Interconnected (\$)	Island Isolated (\$)	Labrador Isolated (\$)	L'Anse au Loup (\$)	Labrador Interconnected (\$)	Basis of Proration
	Revenue Requirement							
	Expenses							
1	Operating, Maintenance and Admin.	132,737,670	100,888,350	5,615,999	13,293,544	1,553,095	11,386,683	Detailed Analysis
2	Fuels - No. 6 Fuel	143,315,358	143,315,358	-	-	-	-	Detailed Analysis
3	Fuels - Diesel	17,260,946	87,140	2,198,340	14,315,837	585,108	74,521	Detailed Analysis
4	Fuels - Gas Turbine	3,672,993	3,473,690	-	-	-	199,303	
5	Fuel Supply Deferral	-	-	-	-	-	-	
6	Power Purchases -CF(L)Co	1,856,851	-	-	-	-	1,856,851	Detailed Analysis
7	Power Purchases - Other	60,970,016	58,109,820	202,500	-	2,657,696	-	Detailed Analysis
9	Depreciation	62,792,518	55,708,988	539,188	2,621,605	435,508	3,487,229	Detailed Analysis
	Expense Credits:							
10	Sundry	(664,680)	(505,195)	(28,122)	(66,567)	(7,777)	(57,018)	Total O&M Expenses
11	Building Rental Income	(17,472)	(17,472)	-	-	-	0	Detailed Analysis
12	Tax Refunds	-	-	-	-	-	-	Total O&M Expenses
13	Suppliers' Discounts	(103,548)	(78,703)	(4,381)	(10,370)	(1,212)	(8,883)	Total O&M Expenses
14	Pole Attachments	(1,718,482)	(1,263,389)	(24,203)	(105,320)	(69,837)	(255,733)	Detailed Analysis
15	Secondary Energy Revenues	-	-	-	-	-	-	Island Interconnected
16	Wheeling Revenues	-	0	-	-	-	-	Island Interconnected
17	Application Fees	(26,544)	(11,476)	(168)	(1,472)	(412)	(13,016)	Detailed Analysis
18	Meter Test Revenues	(3,400)	(2,075)	(57)	(215)	(110)	(943)	Weighted Customers
19	Total Expense Credits	(2,534,126)	(1,878,310)	(56,931)	(183,944)	(79,348)	(335,593)	
20	Subtotal Expenses	420,072,226	359,705,036	8,499,096	30,047,042	5,152,059	16,668,993	
21	Disposal Gain/Loss	4,074,381	3,555,647	133,059	273,138	70,800	41,737	Detailed Analysis
22	Subtotal Rev Req Excl Return	424,146,607	363,260,683	8,632,155	30,320,180	5,222,859	16,710,730	
23	Return on Debt	86,602,198	78,045,582	605,545	2,892,749	556,735	4,501,586	Rate Base
24	Return on Equity	32,489,512	29,279,428	227,175	1,085,238	208,864	1,688,806	Rate Base
25	Total Revenue Requirement⁽¹⁾	543,238,316	470,585,693	9,464,875	34,298,167	5,988,458	22,901,123	

(1) Reconciliation to the Revenue Requirement per Finance Schedules (\$millions):

Total Revenue Requirement per Cost of Service	543.2
Add Expense Credits	2.5
Less IOCC Cost Recovery	1.4
Total Revenue Requirement per Finance Schedules	544.3

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Return on Rate Base**

Line No	1	2	3	4	5	6	7	8
	Total \$	Island Interconnected \$	Island Isolated \$	Labrador Isolated \$	Labrador Loup \$	L'Anse au Loup \$	Labrador Interconnected \$	Basis of Proration
Rate Base:								
1	Average Net Book Value	1,612,852,414	1,453,224,206	11,343,272	52,259,255	10,540,623	85,485,059	Schedule 2.3
2	Cash Working Capital	7,037,000	6,340,530	49,492	228,011	45,990	372,978	Prorated on Average Net Book Value - L. 1
3	Fuel Inventory - No. 6 Fuel	34,447,050	34,447,050	-	-	-	-	Specifically Assigned - Holyrood
4	Fuel Inventory - Diesel	3,518,344	186,223	165,549	3,084,574	44,283	37,715	Detailed Fuel Analysis
5	Fuel Inventory - Gas Turbine	4,198,498	3,992,487	-	-	-	206,011	Detailed Fuel Analysis
6	Inventory/Supplies	27,402,000	24,359,458	250,202	973,460	217,976	1,600,905	Prorated on Total Plant in Service, Schedule 2.2
7	Deferred Charges: Holyrood	-	-	-	-	-	-	Detailed Analysis
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	112,780,000	101,617,869	793,187	3,654,270	737,061	5,977,611	Prorated on Average Net Book Value - L. 1
9	Total Rate Base	1,802,235,306	1,624,167,823	12,601,702	60,199,570	11,585,932	93,680,279	
10	Less: Rural Portion	-	-	-	-	-	-	Schedule 2.6, L. 9
11	Rate Base Available for Equity Return	1,802,235,306	1,624,167,823	12,601,702	60,199,570	11,585,932	93,680,279	
Corporate Targets:								
12	Capital Structure: Percent of Debt	74.247% ⁽¹⁾						
13	Return	6.472%						
14	Weighted Average Return: Debt	4.805%						
15	Capital Structure: Percent of Equity	21.209% ⁽¹⁾						
16	Return	8.500%						
17	Weighted Average Return: Equity	1.803%						
18	Weighted Average Cost of Capital	6.608%						
Return on Rate Base by System (%):								
19	Return on Rate Base - Debt Component	-	4.805%	4.805%	4.805%	4.805%	4.805%	
20	Return on Rate Base - Equity Component	-	1.803%	1.803%	1.803%	1.803%	1.803%	
Return on Rate Base (\$):								
21	Return on Debt	86,602,198	78,045,582	605,545	2,892,749	556,735	4,501,586	Schedule 2.6, L.12
22	Return on Equity	32,489,512	29,279,428	227,175	1,085,238	208,864	1,688,806	Schedule 2.6, L.13
23	Return on Rate Base (\$)	119,091,709	107,325,010	832,720	3,977,988	765,598	6,190,393	Schedule 2.6, L.14
Return on Total Rate Base (%):								
24	Return on Rate Base - Debt Component	4.805%	4.805%	4.805%	4.805%	4.805%	4.805%	L. 21 divided by L.9
25	Return on Rate Base - Equity Component	1.803%	1.803%	1.803%	1.803%	1.803%	1.803%	L. 22 divided by L.9
26	Return on Rate Base (%)	6.608%	6.608%	6.608%	6.608%	6.608%	6.608%	L. 23 divided by L.9

⁽¹⁾ Debt and equity weightings reflect a 0.6204% funded ARO and 3.922% component for Employee Future Benefits at 0% cost.

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
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 Credits (\$)	5 Deficit (\$)	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)
Total System								
1	Newfoundland Power	448,559,921	367,659,465	-	49,296,968	-	416,956,434	
2	RSP Activity	-	-	-	-	-	-	
3	Subtotal Newfoundland Power	448,559,921	367,659,465	-	49,296,968	-	416,956,434	1.22
4	Island Industrial	34,892,102	32,816,670	-	-	-	32,816,670	1.06
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-	-
6	Labrador Industrial	5,409,506	5,230,801	-	-	-	5,230,801	1.03
7	CFB - Goose Bay Secondary	932,221	19,653	912,568	-	-	932,221	47.43
8	Rural Labrador Interconnected	20,093,238	17,650,669	-	2,366,659	-	20,017,328	1.14
Rural Deficit Areas								
9	Island Interconnected	54,444,559	70,109,551	-	(15,664,992)	-	54,444,559	0.78
10	Island Isolated	1,534,776	9,464,875	-	(7,930,099)	-	1,534,776	0.16
11	Labrador Isolated	8,268,446	34,298,167	-	(26,029,721)	-	8,268,446	0.24
12	L'Anse au Loup	3,037,075	5,988,458	-	(2,951,383)	-	3,037,075	0.51
13	CFB Revenue Credit Applied to Deficit	-	-	(912,568)	912,568	-	-	-
14	Subtotal	67,284,856	119,861,051	(912,568)	(51,663,627)	-	67,284,856	0.56
15	Total	577,171,844	543,238,309	-	-	-	543,238,309	1.06

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
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)
Island Interconnected								
1	Newfoundland Power	448,559,921	367,659,465	-	49,296,968	-	416,956,434	
2	NLP RSP Activity	-					-	
3	Subtotal Newfoundland Power	448,559,921	367,659,465	-	49,296,968	-	416,956,434	1.22
4	Industrial - Firm	34,892,102	32,816,670	-			32,816,670	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	-					-	
7	Subtotal Industrial	34,892,102	32,816,670	-	-	-	32,816,670	1.06
Rural								
8	1.1 Domestic	15,088,497	20,737,455	-	(5,648,958)		15,088,497	0.73
9	1.12 Domestic All Electric	18,037,933	23,914,321	-	(5,876,388)		18,037,933	0.75
10	1.3 Special	19,223	59,254	-	(40,030)		19,223	0.32
11	2.1 General Service 0-10 kW							
12	2.2 General Service 10-100 kW	9,821,196	11,746,179	-	(1,924,983)		9,821,196	0.84
13	2.3 General Service 110-1,000 kVa	6,745,832	8,114,608	-	(1,368,776)		6,745,832	0.83
14	2.4 General Service Over 1,000 kVa	3,698,602	4,280,378	-	(581,776)		3,698,602	0.86
15	4.1 Street and Area Lighting	1,033,276	1,257,356	-	(224,080)		1,033,276	0.82
16	Subtotal Rural	54,444,559	70,109,551	-	(15,664,992)	-	54,444,559	0.78
17	Total Island Interconnected	537,896,581	470,585,686	-	33,631,976	-	504,217,663	1.14

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit	
Island Industrial Non-Firm Revenues, Ln 5, Col 2	-
Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3	-
Credit to be allocated to Island Interconnected Firm Customers	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
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 (\$)	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)
Island Isolated								
1	1.2 Domestic Diesel	823,741	7,156,689		(6,332,948)		823,741	0.12
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	66,502	0		66,502		66,502	0.00
4	2.1 General Service 0-10 kW	172,256	915,079		(742,823)		172,256	0.19
5	2.2 GS 10-100 kW	430,699	767,213		(336,514)		430,699	0.56
6	2.3 GS 110-1,000 kVa	0	445,918		(445,918)		0	0.00
7	2.4 General Service Over 1,000 kVa	0	0		0		0	0.00
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	41,578	179,977		(138,399)		41,578	0.23
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	1,534,776	9,464,875		(7,930,099)		1,534,776	0.16

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
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 (\$)	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)
Labrador Isolated								
1	1.2 Domestic Diesel	3,439,424	18,146,404		(14,706,980)		3,439,424	0.19
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	293,633	0		293,633		293,633	0.00
4	2.1 General Service 0-10 kW	1,083,630	3,485,093		(2,401,462)		1,083,630	0.31
5	2.2 GS 10-100 kW	2,714,967	8,934,432		(6,219,465)		2,714,967	0.30
6	2.3 GS 110-1,000 kVa	366,240	1,841,219		(1,474,979)		366,240	0.20
7	2.4 General Service Over 1,000 kVa	248,329	1,544,261		(1,295,933)		248,329	0.16
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	122,223	346,758		(224,535)		122,223	0.35
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	8,268,446	34,298,167		(26,029,721)		8,268,446	0.24

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
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 (\$)	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)
L'Anse au Loup								
1	1.1 Domestic	561,906	1,240,674		(678,768)		561,906	0.45
2	1.12 Domestic All Electric	1,311,464	2,734,811		(1,423,347)		1,311,464	0.48
3	2.1 General Service 0-10 kW	0	0		0		0	0.00
4	2.2 General Service 10-100 kW	881,223	1,581,203		(699,980)		881,223	0.56
5	2.3 General Service 110-1,000 kVa	231,149	367,547		(136,398)		231,149	0.63
6	4.1 Street and Area Lighting	51,333	64,223		(12,890)		51,333	0.80
7	Total L'Anse Au Loup	3,037,075	5,988,458		(2,951,383)		3,037,075	0.51

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRIC								
2015 Test Year Cost of Service for 2016 Revenue Deficiency								
Labrador Interconnected								
Comparison of Revenue & Allocated Revenue Requirement								
1	2	3	4	5	6	7	8	
Line No.	Rate Class	Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credit	Deficit Allocation	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6)	Revenue to Cost Coverage (Col.2/3)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Labrador Interconnected								
1	Industrial IOCC Firm	5,409,506	5,230,801	-	-		5,230,801	1.03
2	Industrial IOCC Non-Firm	-	-	-	-		-	0.00
3	Subtotal Industrial	5,409,506	5,230,801	-	-		5,230,801	1.03
4	CFB - Goose Bay Secondary	932,221	19,653	912,568	-		932,221	47.43
Rural								
5	1.1 Domestic	101,289	208,269	-	27,925.35		236,194	0.49
6	1.1A Domestic All Electric	11,049,621	10,614,816	-	1,423,269		12,038,085	1.04
7	2.1 General Service 0-10 kW	410,227	360,452	-	48,331		408,783	1.14
8	2.2 General Service 10-100 kW	2,342,225	1,808,705	-	242,517		2,051,223	1.29
9	2.3 General Service 110-1,000 kVa	3,071,096	2,271,553	-	304,577		2,576,130	1.35
10	2.4 General Service Over 1,000 kVa	2,806,310	2,071,603	-	277,767		2,349,370	1.35
11	4.1 Street and Area Lighting	312,471	315,271	-	42,273		357,543	0.99
12	Subtotal Rural	20,093,238	17,650,669	-	2,366,659		20,017,328	1.14
13	Total Labrador Interconnected	26,434,965	22,901,123	912,568	2,366,659		26,180,350	1.15

Note 1:

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2	932,221
CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3	(19,653)
CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5	-
Revenue Credit	<u>912,568</u>

Revenue Credit Applied to Deficit	100.0%	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		<u>912,568</u>

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Rural Deficit Allocation**

Line No.	1 Rate Class	2	3	4	5	6
		Allocated Revenue Req't (\$)	Demand (\$)	Energy (\$)	Customer (\$)	Source
Before Deficit and Revenue Credit Allocation						
CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:						
1	Newfoundland Power	367,659,465	147,505,462	215,905,886	4,248,117	Schedule 1.3.1, p. 1
2	Rural Labrador Interconnected	17,650,669	10,802,123	1,333,648	5,514,899	Schedule 1.3.1, p. 3
3	Total	385,310,134	158,307,584	217,239,534	9,763,016	
4	Deficit Classified	51,663,627.07	21,226,392	29,128,178	1,309,057	Prorated on Line 3

* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected:	\$521.53
Labrador Interconnected:	\$475.43

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Rural Deficit Allocation

Line No.	1	2	
	Rate Class	Deficit Allocation Allocated 100% on Revenue Req ^t (\$)	
ALLOCATION OF DEFICIT:			
1	Island Interconnected	49,296,968.37	
2	Labrador Interconnected	2,366,658.70	
3	Allocated Totals	<u>51,663,627</u>	
CUSTOMER DEFICIT ALLOCATION:			
		Amount	Percent
Island Interconnected:			
4	Newfoundland Power	<u>49,296,968</u>	95.4%
5	Sub-Total Island Interconnected	<u>49,296,968</u>	
Labrador Interconnected:			
6	Rural Labrador Interconnected	<u>2,366,659</u>	4.6%
7	Subtotal Labrador Interconnected	<u>2,366,659</u>	
8	Total	<u>51,663,627</u>	100.0%

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
	Island Interconnected										
1	Newfoundland Power	9.75	-	0.03645	-	354,009.75	11.06	-	0.04133	-	401,476.52
2	Industrial - Firm	8.03	-	0.03641	-	27,416.48	8.03	-	0.03641	-	27,416.48
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-
	Rural										
4	1.1 Domestic	-	0.09824	0.04047	0.13872	39.84	-	-	-	-	-
5	1.12 Domestic All Electric	-	0.10159	0.04054	0.14212	39.90	-	-	-	-	-
6	1.3 Special	-	0.13029	0.04009	0.17038	39.46	-	-	-	-	-
7	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-	-	-
8	2.2 General Service 10-100 kW	52.83	-	0.04065	-	58.27	-	-	-	-	-
9	2.3 General Service 110-1,000 kVa	31.27	-	0.04059	-	75.85	-	-	-	-	-
10	2.4 General Service Over 1,000 kVa	25.49	-	0.04000	-	75.87	-	-	-	-	-
11	4.1 Street and Area Lighting	-	0.12541	0.04066	0.16607	69.73	-	-	-	-	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
Isolated Systems:											
1	1.2 Domestic Diesel	-	0.27200	0.62077	0.89278	55.81					
2	2.1 General Service 0-10 kW	-	0.19923	0.61544	0.81467	59.91					
3	2.2 GS 10-100 kW	59.98	-	0.60089	-	73.98					
4	2.3 GS 110-1,000 kVa	21.74	-	0.60586	-	99.14					
5	2.4 General Service Over 1,000 kVa	14.20	-	0.59133	-	90.31					
6	Subtotal Metered Demand Classes	44.95	-	0.60047	-	75.18					
7	4.1 Street and Area Lighting	-	0.32767	0.62985	0.95752	98.59					
Island Isolated											
8	1.2 Domestic Diesel	-	0.48167	0.73490	1.21657	77.08	-	-	-	-	-
9	2.1 General Service 0-10 kW	-	0.36251	0.73724	1.09975	86.39	-	-	-	-	-
10	2.2 GS 10-100 kW	170.97	-	0.74419	-	117.36	-	-	-	-	-
11	2.3 GS 110-1,000 kVa	141.95	-	0.73262	-	153.00	-	-	-	-	-
12	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-
13	4.1 Street and Area Lighting	-	0.53545	0.73737	1.27282	116.67	-	-	-	-	-
Labrador Isolated											
14	1.2 Domestic Diesel	-	0.21835	0.59157	0.80991	48.64	-	-	-	-	-
15	2.1 General Service 0-10 kW	-	0.17046	0.59397	0.76443	53.79	-	-	-	-	-
16	2.2 GS 10-100 kW	55.60	-	0.59238	-	69.93	-	-	-	-	-
17	2.3 GS 110-1,000 kVa	10.38	-	0.59036	-	90.16	-	-	-	-	-
18	2.4 General Service Over 1,000 kVa	14.20	-	0.59133	-	90.31	-	-	-	-	-
19	4.1 Street and Area Lighting	-	0.25892	0.59427	0.85318	90.31	-	-	-	-	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
L'Anse au Loup											
1	1.1 Domestic	-	0.10531	0.14164	0.24695	45.15	-	-	-	-	-
2	1.12 Domestic All Electric	-	0.09740	0.14144	0.23884	45.09	-	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	0.00	-	-	-	-	-
4	2.2 General Service 10-100 kW	29.06	-	0.14160	-	61.91	-	-	-	-	-
5	2.3 General Service 110-1,000 kVa	11.45	-	0.14277	-	78.80	-	-	-	-	-
6	4.1 Street and Area Lighting	-	0.09787	0.14263	0.24050	80.81	-	-	-	-	-
Labrador Interconnected											
7	Industrial - IOCC Firm	1.61	-	-	-	5.88	1.61	-	-	-	5.88
8	Industrial - IOCC Non-Firm	-	-	-	-	0.00	-	-	-	-	0.00
9	CFB - Goose Bay Secondary	-	-	0.00193	0.00193	0.00	-	-	0.00193	0.00193	0.00
Rural											
10	1.1 Domestic	-	0.02060	0.00201	0.02260	36.82	-	0.02336	0.00228	0.02563	41.76
11	1.1A Domestic All Electric	-	0.01825	0.00203	0.02028	37.30	-	0.02070	0.00230	0.02300	42.30
12	Subtotal Domestic	-	0.01827	0.00203	0.02030	37.28	-	0.02071	0.00230	0.02302	42.28
13	2.1 General Service 0-10 kW	-	0.01401	0.00204	0.01605	41.02	-	0.01589	0.00232	0.01821	46.52
14	2.2 General Service 10-100 kW	4.85	-	0.00205	-	52.89	5.51	-	0.00232	-	59.98
15	2.3 General Service 110-1,000 kVa	5.55	-	0.00205	-	67.91	6.29	-	0.00233	-	77.02
16	2.4 General Service Over 1,000 kVa	6.04	-	0.00201	-	67.16	6.84	-	0.00228	-	76.16
17	4.1 Street and Area Lighting	-	0.01999	0.00203	0.02202	59.72	0.00	0.02267	0.00230	0.02497	67.73

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.3.1
Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

52.81086%
1.4081633
9

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Island Interconnected								
1	Newfoundland Power	367,659,465	147,505,462	215,905,886	4,248,117	416,956,434	167,283,470	244,855,245	4,817,718
2	Industrial - Firm	32,816,670	8,547,130	22,624,552	1,644,989	32,816,670	8,547,130	22,624,552	1,644,989
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-
	Rural								
4	1.1 Domestic	20,737,455	10,780,867	4,441,280	5,515,307	-	-	-	-
5	1.12 Domestic All Electric	23,914,321	14,275,122	5,696,012	3,943,187	-	-	-	-
6	1.3 Special	59,254	44,948	13,832	474	-	-	-	-
7	2.1 General Service 0-10 kW								
8	2.2 General Service 10-100 kW	11,746,179	6,636,581	3,076,497	2,033,102	-	-	-	-
9	2.3 General Service 110-1,000 kVa	8,114,608	5,587,065	2,443,851	83,692	-	-	-	-
10	2.4 General Service Over 1,000 kVa	4,280,378	2,828,285	1,444,809	7,284	-	-	-	-
11	4.1 Street and Area Lighting	1,257,356	351,152	113,842	792,362	-	-	-	-
12	Subtotal Rural	70,109,551	40,504,020	17,230,123	12,375,407				
13	Total Island Interconnected	470,585,686	196,556,612	255,760,561	18,268,513				
				0.543494136					

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation				
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
		1	2	3	4	5	6	7	8	9
	Isolated Systems:									
1	1.2 Domestic Diesel	25,303,092	7,144,296	16,304,930	1,853,867					
2	2.1 General Service 0-10 kW	4,400,171	986,111	3,046,179	367,881					
3	2.2 GS 10-100 kW	9,701,645	2,199,295	7,367,020	135,331					
4	2.3 GS 110-1,000 kVa	2,287,137	332,829	1,945,980	8,328					
5	2.4 General Service Over 1,000 kVa	1,544,261	90,473	1,452,705	1,084					
6	Subtotal Metered Demand Classes	13,533,044	2,622,596	10,765,705	144,742					
7	4.1 Street and Area Lighting	526,735	131,265	252,317	143,153					
8	Total Isolated Systems	43,763,042	10,884,268	30,369,131	2,509,643					
	Island Isolated									
9	1.2 Domestic Diesel	7,156,689	2,577,911	3,933,195	645,583	-	-	-	-	-
10	2.1 General Service 0-10 kW	915,079	268,832	546,731	99,516	-	-	-	-	-
11	2.2 GS 10-100 kW	767,213	237,724	511,181	18,308	-	-	-	-	-
12	2.3 GS 110-1,000 kVa	445,918	187,665	256,417	1,836	-	-	-	-	-
13	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-
14	4.1 Street and Area Lighting	179,977	53,331	73,442	53,204	-	-	-	-	-
15	Total Island Isolated	9,464,875	3,325,463	5,320,966	818,446					
	Labrador Isolated									
16	1.2 Domestic Diesel	18,146,404	4,566,385	12,371,735	1,208,284	-	-	-	-	-
17	2.1 General Service 0-10 kW	3,485,093	717,279	2,499,448	268,365	-	-	-	-	-
18	2.2 GS 10-100 kW	8,934,432	1,961,571	6,855,839	117,022	-	-	-	-	-
19	2.3 GS 110-1,000 kVa	1,841,219	145,164	1,689,563	6,492	-	-	-	-	-
20	2.4 General Service Over 1,000 kVa	1,544,261	90,473	1,452,705	1,084	-	-	-	-	-
21	4.1 Street and Area Lighting	346,758	77,933	178,875	89,950	-	-	-	-	-
22	Total Labrador Isolated	34,298,167	7,558,806	25,048,165	1,691,196					

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	L'Anse au Loup								
1	1.1 Domestic	1,240,674	435,046	585,112	220,516	-	-	-	-
2	1.12 Domestic All Electric	2,734,811	1,030,059	1,495,903	208,849	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-
4	2.2 General Service 10-100 kW	1,581,203	511,495	914,432	155,276	-	-	-	-
5	2.3 General Service 110-1,000 kVa	367,547	89,841	272,978	4,728	-	-	-	-
6	4.1 Street and Area Lighting	64,223	13,310	19,398	31,515	-	-	-	-
7	Total L'Anse au Loup	5,988,458	2,079,752	3,287,823	620,883				
	Labrador Interconnected								
8	Industrial - IOCC Firm	5,230,801	5,230,730	-	71	5,230,801	5,230,730	-	71
9	Industrial - IOCC Non-Firm	-	-	-	-	-	-	-	-
10	CFB - Goose Bay Secondary	19,653	-	19,653	-	19,653	-	19,653	-
	Rural								
11	1.1 Domestic	208,269	44,837	4,367	159,064	236,194	50,849	4,953	180,392
12	1.1A Domestic All Electric	10,614,816	5,748,642	640,153	4,226,021	12,038,085	6,519,439	725,987	4,792,659
13	Subtotal Domestic	10,823,085	5,793,480	644,520	4,385,085	12,274,279	6,570,288	730,939	4,973,051
14	2.1 General Service 0-10 kW	360,452	93,362	13,601	253,489	408,783	105,880	15,425	287,477
15	2.2 General Service 10-100 kW	1,808,705	1,194,883	152,120	461,702	2,051,223	1,355,097	172,516	523,609
16	2.3 General Service 110-1,000 kVa	2,271,553	1,902,182	235,511	133,860	2,576,130	2,157,233	267,089	151,808
17	2.4 General Service Over 1,000 kVa	2,071,603	1,782,501	284,266	4,835	2,349,370	2,021,505	322,381	5,484
18	4.1 Street and Area Lighting	315,271	35,714	3,629	275,928	357,543	40,502	4,116	312,925
19	Subtotal Rural	17,650,669	10,802,123	1,333,648	5,514,899	20,017,328	12,250,506	1,512,468	6,254,354
20	Total Labrador Interconnected	22,901,123	16,032,853	1,353,301	5,514,969	25,267,782	17,481,236	1,532,121	6,254,425

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.3.2

Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Demands, Sales, & Number of Bills**

286

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
	Island Interconnected				
1	Newfoundland Power	15,122,049	5,924,100	1	12
2	Industrial - Firm	1,064,800	621,400	5	60
3	Industrial - Non-Firm	-	-	-	-
	Rural				
4	1.1 Domestic	-	109,735	11,538	138,450
5	1.12 Domestic All Electric	-	140,519	8,236	98,832
6	1.3 Special	-	345	1	12
7	2.1 General Service 0-10 kW	-	-	-	-
8	2.2 General Service 10-100 kW	125,618	75,684	2,908	34,894
9	2.3 General Service 110-1,000 kVa	178,664	60,203	92	1,103
10	2.4 General Service Over 1,000 kVa	110,944	36,122	8	96
11	4.1 Street and Area Lighting	-	2,800	947	11,364
12	Subtotal Rural	415,225	425,409	23,729	284,751
13	Total Island Interconnected	16,602,074	6,970,909	23,735	284,823

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.3.2

Page 2 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
Isolated Systems:					
1	1.2 Domestic Diesel	-	26,265	2,768	33,217
2	2.1 General Service 0-10 kW	-	4,950	512	6,141
3	2.2 GS 10-100 kW	36,668	12,260	152	1,829
4	2.3 GS 110-1,000 kVa	15,307	3,212	7	84
5	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
6	Subtotal Metered Demand Classes	58,347	17,929	160	1,925
7	4.1 Street and Area Lighting	-	401	121	1,452
8	Total Isolated Systems	58,347	49,545	3,561	42,735
Island Isolated					
9	1.2 Domestic Diesel	-	5,352	698	8,376
10	2.1 General Service 0-10 kW	-	742	96	1,152
11	2.2 GS 10-100 kW	1,390	687	13	156
12	2.3 GS 110-1,000 kVa	1,322	350	1	12
13	2.4 General Service Over 1,000 kVa	-	-	-	-
14	4.1 Street and Area Lighting	-	100	38	456
15	Total Island Isolated	2,712	7,230	846	10,152
Labrador Isolated					
16	1.2 Domestic Diesel	-	20,913	2,070	24,841
17	2.1 General Service 0-10 kW	-	4,208	416	4,989
18	2.2 GS 10-100 kW	35,277	11,573	139	1,673
19	2.3 GS 110-1,000 kVa	13,985	2,862	6	72
20	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
21	4.1 Street and Area Lighting	-	301	83	996
22	Total Labrador Isolated	55,634	42,314	2,715	32,583

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.3.2

Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Demands, Sales, & Number of Bills**

Line No.	1 Rate Class	Units			
		2 Billing Demands (kW)	3 Sales (MWh)	4 Customers	5 Bills (Total No)
L'Anse au Loup					
1	1.1 Domestic	-	4,131	407	4,884
2	1.12 Domestic All Electric	-	10,576	386	4,632
3	2.1 General Service 0-10 kW	-	-	-	-
4	2.2 General Service 10-100 kW	17,600	6,458	209	2,508
5	2.3 General Service 110-1,000 kVa	7,844	1,912	5	60
6	4.1 Street and Area Lighting	-	136	33	390
7	Total L'Anse au Loup	25,444	23,213	1,040	12,474
Labrador Interconnected					
8	Industrial - IOCC Firm	3,240,000	1,790,000	1	12
9	Industrial - IOCC Non-Firm	-	-	-	-
10	CFB - Goose Bay Secondary	-	10,200	-	-
Rural					
11	1.1 Domestic	-	2,177	360	4,320
12	1.1A Domestic All Electric	-	315,013	9,442	113,304
13	Subtotal Domestic	-	317,190	9,802	117,624
14	2.1 General Service 0-10 kW	-	6,663	515	6,180
15	2.2 General Service 10-100 kW	246,126	74,304	728	8,730
16	2.3 General Service 110-1,000 kVa	342,935	114,720	164	1,971
17	2.4 General Service Over 1,000 kVa	295,333	141,252	6	72
18	4.1 Street and Area Lighting	-	1,787	385	4,620
19	Subtotal Rural	884,393	655,916	11,600	139,197
20	Total Labrador Interconnected	4,124,393	2,456,116	11,601	139,209

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.4
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO			
2015 Test Year Cost of Service for 2016 Revenue Deficiency			
Cost Calculations for Newfoundland Power			
(Not used for Revenue Deficiency Calculations)			
Line No.	Description	1	2
Line No.	Description	Amount	Source
Newfoundland Power:			
Demand:			
1	Cost (\$/kW/mo.)	4.75	
2	Billing Units (kW)	15,122,049	Sch 1.3.2, pg 1, Ln 1, Col 2
3	Demand Revenue	\$71,829,733	Ln 1 * Ln 2
Energy (First Block):			
4	Total Revenue Requirement	\$416,956,434	Sch 1.2, pg 1, Ln 1, Col 7
5	Less: Demand Revenue	71,829,733	Ln 2 * Ln 3
6	Revenue Requirement to be Recovered Through Energy Rates	\$ 345,126,701	Ln 4 - Ln 5
Non-Fuel Energy Costs:			
7	Energy Revenue Requirement	215,905,886	Sch 1.3.1, pg 1, Ln 1, Col 4
Less Allocated Holyrood Fuel Costs			
8	Total Holyrood Fuel Costs	143,315,358	Sch 1.1, pg 1, Ln 2, Col 3
9	Newfoundland Power Trans. Energy Allocation Ratio	0.8452	Sch 3.1A, pg 1, Ln 14, Col 4
10	Allocated Holyrood Fuel Costs	<u>121,125,126</u>	Ln 8 * Ln 9
11	Non-Fuel Energy Costs:	\$ 36,119,229	Ln 7 - Ln 10
12	Customer Costs	\$ 4,248,117	Sch 1.3.1, pg 1, Ln 1, Col 5
13	First Block Energy Consumed (MWh)	3,000,000	
14	Cost (Mills/kWh)	13.46	Ln 11 + Ln 12 / Ln 13
Energy (Second Block):			
15	Total Revenue Requirement	\$416,956,434	Sch 1.2, pg 1, Ln 1, Col 7
16	Less: Demand Revenue	71,829,733	Ln 2 * Ln 3
17	Less: First Block Revenue	<u>36,119,229</u>	Ln 13 * Ln 14
18	Second Block Energy Revenue	\$304,759,354	
19	Second Block Energy Consumed (MWh)	2,924,100	
20	Cost (Mills/kWh)	104.22	Ln 18 / Ln 19
21	Average No. 6 Fuel Cost per Barrel	\$54.41	
22	Efficiency Factor (kWh per Barrel)	618	
23	Cost (Mills/kWh)	88.05	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.5
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Value of Newfoundland Power Thermal Generation Credit**

Line No.	Description	Amount	Source
1	Island Interconnected System:		
2	Generation demand costs (\$)	136,374,851	Sch 2.1A, C. 3, Ln 24
3	Coincident peak (kW)	<u>1,464,218</u>	Sch 3.1A, C. 3, Ln 13
4	Generation demand costs (\$/kW)	93.14	Ln 2 / Ln 3
5	NP thermal generation capacity credit (kW)	<u>33,386</u>	⁽¹⁾
6	Gross value of credit to NP (\$)	<u>3,109,572</u>	Ln 4 x Ln 5
7	Less NP's cost share:		
8	Percentage	<u>88.85%</u>	Sch 3.1A, C. 5, Ln 14
9	Amount (\$)	<u>(2,762,983)</u>	Ln 6 x Ln 8
10	Net value of credit to NP (\$)	<u><u>346,589</u></u>	Ln 6 - Ln 9
	⁽¹⁾ NP gas turbine and diesel generation capacity (kW)	37,826	
	+ System reserve	<u>1.13</u>	
	NP thermal generation capacity credit (kW)	<u><u>33,386</u></u>	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.6

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Calculation of Firming Up Charge**

	1	2	3	4
Line No.	Description	Total	Gas Turbine	Transmission & Terminals
1	Operating & Maintenance	11,846,986	6,324,023	5,522,963
2	O&M Overhead	9,261,771	4,483,085	4,778,685
3	Depreciation	11,401,819	4,984,291	6,417,528
4	Return	22,898,077	10,206,611	12,691,466
5	Total	55,408,652	25,998,010	29,410,642
6	Capacity (kW)		223,500	1,742,100
7	Cost (\$/kW)	\$133.20	\$116.32	\$16.88
8	Rate (\$/kWh)	\$0.02896		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 1.7

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Calculation of Transmission Wheeling Charge**

1

2

Line No.	Description	
1	Island Interconnected Transmission Revenue Requirement	29,778,973
2	Transmission Energy Output (MWh)	7,009,400
3	Rate (\$/kWh)	\$0.00425

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Customer (\$)		10 Line Transformers Demand (\$)		11 Customer (\$)		12 Secondary Lines Demand (\$)		
Expenses																		
1	Operating & Maintenance	100,888,350	43,468,688	22,314,087	10,301,648	3,796,736	1,327,509	6,574,588	1,705,360	412,367	729,924	978,425	1,068,569	442,293	443,331	149,086	2,715,624	2,391,488
2	Fuels-No. 6 Fuel	143,315,358	-	143,315,358	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	87,140	87,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	3,473,690	3,473,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Supply Deferral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Power Purchases-Other	58,109,820	21,243,193	36,173,623	-	693,003	-	-	-	-	-	-	-	-	-	-	-	-
8	Depreciation	55,708,988	24,873,886	15,586,227	6,417,528	2,634,480	641,186	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	1,187,781
Expense Credits																		
9	Sundry	(505,195)	(217,668)	(111,737)	(51,585)	(19,012)	(6,647)	(32,922)	(8,540)	(2,065)	(3,655)	(4,899)	(5,351)	(2,215)	(2,220)	(747)	(13,598)	(11,975)
10	Building Rental Income	(17,472)	(6,795)	(5,229)	(2,318)	(936)	(196)	(775)	(201)	(49)	(86)	(115)	(126)	(52)	(43)	(18)	-	(534)
11	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Suppliers' Discounts	(78,703)	(33,910)	(17,407)	(8,036)	(2,962)	(1,036)	(5,129)	(1,330)	(322)	(569)	(763)	(834)	(345)	(346)	(116)	(2,118)	(1,866)
13	Pole Attachments	(1,263,389)	-	-	-	-	-	(730,679)	(249,711)	-	-	(129,331)	(153,669)	-	-	-	-	-
14	Secondary Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Application Fees	(11,476)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,476)	-
17	Meter Test Revenues	(2,075)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,075)	-	-
18	Total Expense Credits	(1,878,310)	(258,373)	(134,374)	(61,939)	(22,909)	(7,879)	(769,504)	(259,782)	(2,435)	(4,311)	(135,109)	(159,979)	(2,612)	(4,683)	(880)	(27,193)	(14,375)
19	Subtotal Expenses	359,705,036	92,888,225	217,254,921	16,657,237	7,101,310	1,960,816	7,671,362	1,954,838	632,998	1,120,458	1,130,793	1,226,765	594,074	710,721	287,360	2,891,614	3,564,894
20	Disposal Gain / Loss	3,555,647	1,418,513	1,167,105	430,270	157,570	35,155	129,337	37,243	10,103	17,883	22,316	24,388	13,393	8,083	3,153	5,435	75,702
21	Subtotal Revenue Requirement Ex. Return	363,260,683	94,306,738	218,422,027	17,087,507	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	3,640,596
22	Return on Debt	78,045,582	30,591,475	26,623,086	9,229,096	3,385,058	754,963	2,782,666	799,741	216,532	383,279	478,854	523,295	286,188	173,604	67,736	117,979	1,632,029
23	Return on Equity	29,279,428	11,476,638	9,987,865	3,462,370	1,269,932	283,231	1,043,940	300,029	81,234	143,790	179,646	196,318	107,366	65,129	25,412	44,261	612,269
24	Total Revenue Reqmt	470,585,693	136,374,851	255,032,977	29,778,973	11,913,871	3,034,164	11,627,304	3,091,851	940,866	1,665,410	1,811,609	1,970,766	1,001,020	957,537	383,660	3,059,288	5,884,894

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.1A
Page 2 of 2

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)**

Line No.	1	19		20	21
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
Expenses					
1	Operating & Maintenance	1,357,786	710,839	Carryforward from Sch.2.4 L.30	
2	Fuels-No. 6 Fuel	-	-	Production - Demand, Energy ratios Sch.4.1 L.10	
3	Fuels-Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.12	
4	Fuels-Gas Turbine	-	-	Production - Demand, Energy ratios Sch.4.1 L.11	
5	Fuel Supply Deferral				
6	Power Purchases -CF(L)Co	-	-		
7	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.8	
8	Depreciation	-	-	Carryforward from Sch.2.5 L.40	
Expense Credits					
9	Sundry	(6,799)	(3,560)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
10	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.34	
11	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
12	Suppliers' Discounts	(1,059)	(555)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
13	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
14	Secondary Energy	-	-	Production - Energy	
15	Wheeling Revenues	-	-	Transmission - Demand	
16	Application Fees	-	-	Accounting - Customer	
17	Meter Test Revenues	-	-	Meters - Customer	
18	Total Expense Credits	(7,858)	(4,114)		
19	Subtotal Expenses	1,349,927	706,725		
20	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.40	
21	Subtotal Revenue Requirement				
	Ex. Return	1,349,927	706,725		
22	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.9	
23	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.11	
24	Total Revenue Reqmt	1,349,927	706,725		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting (\$)	18 Specifically Assigned Customer (\$)
							7 Substations		8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services	12 Meters		
							Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	
Production																		
Hydraulic																		
1	Bay D'Espoir	224,163,991	100,704,132	123,459,859	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Upper Salmon	174,849,492	78,549,933	96,299,560	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Hinds Lake	82,714,770	37,159,042	45,555,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Cat Arm	272,937,726	122,615,397	150,322,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Paradise River	22,264,052	10,001,972	12,262,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Granite Canal	112,087,573	50,354,572	61,733,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Hydraulic	5,330,264	2,394,585	2,935,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Subtotal Hydraulic	894,347,869	401,779,633	492,568,236	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Holyrood	256,920,692	185,599,508	71,321,184	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Gas Turbines	155,106,747	155,106,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Diesel	10,395,824	10,395,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Subtotal Production	1,316,771,131	752,881,711	563,889,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																		
14	Lines	286,645,674	-	-	162,412,792	87,840,416	-	-	-	-	-	-	-	-	-	-	-	36,392,465
15	Lines - Hydraulic	55,792,306	25,064,310	30,727,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	160,127,899	-	-	110,982,351	22,520,123	-	-	-	-	-	-	-	-	-	-	-	26,625,425
17	Term Stns - Hydraulic	35,992,419	16,169,347	19,823,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	8,772,062	6,336,937	2,435,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	700,311	700,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	13,916,403	-	-	-	-	13,916,403	-	-	-	-	-	-	-	-	-	-	-
21	Subtotal Term Stns	219,509,093	23,206,595	22,258,197	110,982,351	22,520,123	13,916,403	-	-	-	-	-	-	-	-	-	-	26,625,425
22	Subtotal Transmission	561,947,073	48,270,905	52,986,192	273,395,144	110,360,539	13,916,403	-	-	-	-	-	-	-	-	-	-	63,017,890
Distribution																		
23	Substations	9,597,162	414,826	-	-	-	9,182,337	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	3,994,373	-	-	-	-	-	3,011,558	383,660	-	-	349,308	249,848	-	-	-	-	-
25	Poles	105,894,476	-	-	-	-	-	61,243,858	20,930,255	-	-	10,840,206	12,880,157	-	-	-	-	-
26	Primary Conductor & Eqpt	21,201,429	-	-	-	-	-	18,805,668	2,395,762	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	8,345,651	-	-	-	-	-	8,345,651	-	-	-	-	-	-	-	-	-	-
28	Transformers	15,881,322	-	-	-	-	-	-	-	5,733,157	10,148,165	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	4,139,916	-	-	-	-	-	-	-	-	-	2,413,571	1,726,345	-	-	-	-	-
30	Services	6,149,220	-	-	-	-	-	-	-	-	-	-	-	6,149,220	-	-	-	-
31	Meters	5,035,413	-	-	-	-	-	-	-	-	-	-	-	-	5,035,413	-	-	-
32	Street Lighting	2,072,755	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072,755	-	-
33	Subtotal Distribution	182,311,718	414,826	-	-	-	9,182,337	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	-
34	Subtll Prod, Trans, & Dist	2,061,029,922	801,567,441	616,875,613	273,395,144	110,360,539	23,098,739	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	63,017,890
35	General	185,063,996	84,755,553	42,619,321	16,482,878	5,867,173	2,332,857	11,965,798	3,103,767	750,511	1,328,468	1,780,742	1,944,803	804,977	846,236	271,338	6,373,405	3,836,168
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	200,794	78,092	60,098	26,635	10,752	2,250	8,905	2,310	559	989	1,325	1,447	599	491	202	-	6,139
39	Software - General	4,159,436	1,617,671	1,244,938	551,748	222,722	46,616	184,471	47,849	11,570	20,480	27,453	29,982	12,410	10,162	4,183	-	127,179
40	Total Plant	2,251,193,572	888,758,182	660,799,970	290,456,405	116,461,186	25,480,463	103,565,909	26,863,602	6,495,798	11,498,102	15,412,605	16,832,583	6,967,206	5,892,302	2,348,478	6,373,405	66,987,376

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.2A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D)

Line No.	1	19
	Description	Basis of Functional Classification
	Production	
	Hydraulic	
1	Bay D'Espoir	Production - Demand, Energy ratios Sch.4.1 L.1
2	Upper Salmon	Production - Demand, Energy ratios Sch.4.1 L.1
3	Hinds Lake	Production - Demand, Energy ratios Sch.4.1 L.1
4	Cat Arm	Production - Demand, Energy ratios Sch.4.1 L.1
5	Paradise River	Production - Demand, Energy ratios Sch.4.1 L.1
6	Granite Canal	Production - Demand, Energy ratios Sch.4.1 L.1
7	Other Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.1, 2
8	Subtotal Hydraulic	
9	Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
10	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.4
11	Roddickton	Production - Demand, Energy ratios Sch.4.1 L.3
12	Diesel	Production - Demand, Energy ratios Sch.4.1 L.5
13	Subtotal Production	
	Transmission	
14	Lines	Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
15	Lines - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.17
16	Terminal Stations	Production - Demand, Energy subtotals, L. 13; Transmission - Demand; Spec Assigned - Custmr
17	Term Stns - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.20
18	Term Stns - Holyrood	Production - Demand, Energy ratios Sch.4.1 L.21
19	Term Stns - Gas Tur/Dsl	Production - Demand, Energy ratios Sch.4.1 L.22, 23
20	Term Stns - Distribution	Distribution - Substations Demand
21	Subtotal Term Stns	
22	Subtotal Transmission	
	Distribution	
23	Substations	Production - Demand; Dist Substns - Demand
24	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
25	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
26	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
27	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
28	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
29	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
30	Services	Services Customer
31	Meters	Meters - Customer
32	Street Lighting	Street Lighting - Customer
33	Subtotal Distribution	
34	Subtl Prod, Trans, & Dist	
35	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.15, 16
36	Telecontrol - Custmr & Spec	Specifically Assigned - Customer
37	Feasibility Studies	Production, Transmission - Demand
38	Feasibility Studies - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
39	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
40	Total Plant	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Functional Classification of Net Book Value

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
Production																		
Hydraulic																		
1	Bay D'Espoir	159,292,385	71,561,009	87,731,376	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	150,562,745	67,639,278	82,923,467	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	68,558,878	30,799,605	37,759,274	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	236,005,894	106,024,026	129,981,868	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	18,634,236	8,371,302	10,262,933	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	99,568,098	44,730,284	54,837,814	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	3,369,380	1,513,671	1,855,709	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	735,991,616	330,639,175	405,352,441	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	65,594,001	47,385,107	18,208,895	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	134,651,525	134,651,525	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	3,510,510	3,510,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	939,747,652	516,186,316	423,561,336	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
14	Lines	168,220,778	-	-	103,496,354	47,180,089	-	-	-	-	-	-	-	-	-	-	-	17,544,336
15	Lines - Hydraulic	45,062,465	20,244,002	24,818,462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Terminal Stations	93,051,056	-	-	66,096,677	14,985,747	-	-	-	-	-	-	-	-	-	-	-	11,968,632
17	Term Stns - Hydraulic	21,686,911	9,742,696	11,944,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Term Stns - Holyrood	1,522,380	1,099,767	422,613	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Term Stns - Gas Tur/Dsl	400,885	400,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Term Stns - Distribution	9,753,683	-	-	-	-	9,753,683	-	-	-	-	-	-	-	-	-	-	-
21	Subtotal Term Stns	126,414,915	11,243,348	12,366,828	66,096,677	14,985,747	9,753,683	-	-	-	-	-	-	-	-	-	-	11,968,632
22	Subtotal Transmission	339,698,158	31,487,350	37,185,290	169,593,030	62,165,835	9,753,683	-	-	-	-	-	-	-	-	-	-	29,512,968
Distribution																		
23	Substations	3,895,381	135,275	-	-	-	3,760,106	-	-	-	-	-	-	-	-	-	-	-
24	Land & Land Improvements	2,670,404	-	-	-	-	-	2,013,351	256,492	-	-	233,527	167,034	-	-	-	-	-
25	Poles	66,098,651	-	-	-	-	-	38,228,022	13,064,530	-	-	6,766,387	8,039,711	-	-	-	-	-
26	Primary Conductor & Eqpt	6,865,462	-	-	-	-	-	6,089,665	775,797	-	-	-	-	-	-	-	-	-
27	Submarine Conductor	2,211,614	-	-	-	-	-	2,211,614	-	-	-	-	-	-	-	-	-	-
28	Transformers	10,680,793	-	-	-	-	-	-	-	3,855,766	6,825,027	-	-	-	-	-	-	-
29	Secondary Conductor&Eqpt	2,529,075	-	-	-	-	-	-	-	-	-	1,474,451	1,054,624	-	-	-	-	-
30	Services	5,177,339	-	-	-	-	-	-	-	-	-	-	-	5,177,339	-	-	-	-
31	Meters	2,999,527	-	-	-	-	-	-	-	-	-	-	-	-	2,999,527	-	-	-
32	Street Lighting	1,190,297	-	-	-	-	-	-	-	-	-	-	-	-	-	1,190,297	-	-
33	Subtotal Distribution	104,318,541	135,275	-	-	-	3,760,106	48,542,652	14,096,820	3,855,766	6,825,027	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	-
34	Subttl Prod, Trans, & Dist	1,383,764,351	547,808,941	460,746,626	169,593,030	62,165,835	13,513,789	48,542,652	14,096,820	3,855,766	6,825,027	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	29,512,968
35	General	64,497,334	29,538,469	14,853,416	5,744,509	2,044,790	813,033	4,170,244	1,081,705	261,564	462,989	620,613	677,790	280,546	294,925	94,565	2,221,219	1,336,957
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Software - General	4,223,096	1,671,852	1,406,148	517,579	189,723	41,243	148,147	43,022	11,767	20,829	25,863	28,265	15,801	9,154	3,633	-	90,070
40	Total Net Book Value	1,453,224,206	579,758,687	477,006,190	175,855,118	64,400,349	14,368,064	52,861,043	15,221,547	4,129,097	7,308,845	9,120,840	9,967,424	5,473,685	3,303,606	1,288,495	2,221,219	30,939,996

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
		Total Amount	Production Demand	Production and Transmission Energy	Transmission Demand	Rural Prod & Transmission Demand	Distribution													Accounting Customer	Specifically Assigned Customer
							Substations Demand	Primary Lines		Line Transformers		Secondary Lines		Services Customer	Meters Customer	Street Lighting Customer					
Production																					
1	Hydraulic	12,112,026	5,441,244	6,670,781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Holyrood / Thermal	19,459,003	14,057,184	5,401,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Gas Turbine	5,995,298	5,995,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Diesel	362,481	362,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Other	2,635,738	1,507,019	1,128,719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Subtotal Production	40,564,546	27,363,226	13,201,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transmission																					
8	Transmission Lines	3,910,236	286,205	350,877	1,854,562	1,003,033	-	-	-	-	-	-	-	-	-	-	-	-	415,559		
9	Terminal Stations	5,102,709	539,461	517,414	2,579,896	523,503	323,501	-	-	-	-	-	-	-	-	-	-	-	618,935		
10	Other	2,237,357	192,188	210,961	1,088,506	439,394	55,407	-	-	-	-	-	-	-	-	-	-	-	250,902		
11	Subtotal Transmission	11,250,301	1,017,853	1,079,253	5,522,963	1,965,930	378,908	-	-	-	-	-	-	-	-	-	-	-	1,285,395		
Distribution																					
12	Other	7,775,946	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	-	90,918	-	-	-		
13	Meters	283,551	-	-	-	-	-	-	-	-	-	-	-	-	283,551	-	-	-	-		
14	Subtotal Distribution	8,059,497	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	-		
15	Subttl Prod, Trans, & Dist	59,874,344	28,399,275	14,280,572	5,522,963	1,965,930	781,677	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	1,285,395		
16	Customer Accounting	2,135,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,135,554	-		
Administrative & General:																					
Plant-Related:																					
17	Production	6,089,665	3,481,848	2,607,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Prod - Gas Turb & Diesel	1,583,881	1,583,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Transmission	5,300,429	455,304	499,779	2,578,733	1,040,949	131,263	-	-	-	-	-	-	-	-	-	-	-	594,401		
20	Distribution	2,446,265	5,566	-	-	-	123,209	1,226,499	318,137	76,928	136,168	182,527	199,343	82,510	67,565	27,812	-	-	-		
21	Prod, Trans, Distn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	Prod, Trans, Distn and General Plant	343,528	135,623	100,837	44,323	17,772	3,888	15,804	4,099	991	1,755	2,352	2,569	1,063	899	358	973	10,222	-		
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	1,425,303	335,564	83,012	428,322	172,899	36,188	143,205	37,145	8,982	15,899	21,312	23,275	9,634	7,889	3,247	-	-	98,729		
24	Property Insurance	1,595,772	794,003	579,666	117,511	26,171	23,446	11,031	2,861	692	1,225	1,642	1,793	742	780	250	5,876	28,083	-		
Revenue-Related:																					
25	Municipal Tax	1,357,786	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	PUB Assessment	710,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	All Expense-Related	16,644,581	7,622,880	3,833,165	1,482,463	527,691	209,816	1,076,199	279,152	67,501	119,482	160,159	174,915	72,399	76,110	24,404	573,221	345,023	-		
28	Prod, Trans, and Distn Expense-Related	1,380,404	654,746	329,239	127,332	45,325	18,022	92,437	23,977	5,798	10,263	13,756	15,024	6,219	6,537	2,096	-	-	29,635		
29	Subtotal Admin & General	38,878,452	15,069,414	8,033,515	4,778,685	1,830,806	545,832	2,565,175	665,372	160,891	284,791	381,748	416,918	172,567	159,781	58,168	580,070	1,106,093	-		
30	Total Operating & Maintenance Expenses	100,888,350	43,468,688	22,314,087	10,301,648	3,796,736	1,327,509	6,574,588	1,705,360	412,367	729,924	978,425	1,068,569	442,293	443,331	149,086	2,715,624	2,391,488	-		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		19 Municipal Tax	20 PUB Assessment	
	Production			
1	Hydraulic	-	-	Prorated on Hydraulic Plant in Service - Sch.2.2 L.8
2	Holyrood / Thermal	-	-	Prorated on Holyrood Plant in Service - Sch.2.2 L.9
3	Roddickton	-	-	Prorated on Roddickton Plant in Service - Sch.2.2 L.11
4	Gas Turbine	-	-	Prorated on Gas Turbines Plant in Service - Sch.2.2 L.10
5	Diesel	-	-	Prorated on Diesel Plant in Service - Sch.2.2 L.12
6	Other	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
7	Subtotal Production	-	-	
	Transmission			
8	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.14, 15
9	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.21
10	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
11	Subtotal Transmission	-	-	
	Distribution			
12	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 33, less L. 31
13	Meters	-	-	Meters - Customer
14	Subtotal Distribution	-	-	
15	Subttl Prod, Trans, & Dist	-	-	
16	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
17	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
18	Prod - Gas Turb & Diesel	-	-	Prorated on Gas Turbine & Diesel Production Plant in Service - Sch.2.2 L.10, 12
19	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
20	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.33
21	Prod, Trans, Distn	-	-	Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.34
22	Prod, Trans, Distn and General Plant	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 40
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 34 Less L. 8 and L. 9
24	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.13, 21, 23, 35 - 36
	Revenue-Related:			
25	Municipal Tax	1,357,786	-	Revenue-related
26	PUB Assessment	-	710,839	Revenue-related
27	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 15, 16
28	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L 15
29	Subtotal Admin & General	1,357,786	710,839	
30	Total Operating & Maintenance Expenses	1,357,786	710,839	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Functional Classification of Depreciation Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
Production																		
Hydraulic																		
1	Bay D'Espoir	4,592,375	2,063,093	2,529,282	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	3,044,289	1,367,626	1,676,663	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	1,408,226	632,636	775,590	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	5,429,147	2,439,007	2,990,140	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	454,623	204,236	250,387	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	2,418,851	1,086,652	1,332,199	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	79,620	35,769	43,851	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	17,427,132	7,829,019	9,598,112	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	11,510,648	8,315,292	3,195,356	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	4,293,739	4,293,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	124,574	124,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	33,356,092	20,562,624	12,793,468	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
14	Lines	5,911,528	-	-	3,586,621	1,708,499	-	-	-	-	-	-	-	-	-	-	616,408	
15	Lines - Hydraulic	1,399,044	628,511	770,533	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Terminal Stations	3,331,774	-	-	2,204,149	696,864	-	-	-	-	-	-	-	-	-	-	430,761	
17	Term Stns - Hydraulic	728,807	327,412	401,396	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Term Stns - Holyrood	63,247	45,689	17,557	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Term Stns - Gas Tur/Dsl	14,370	14,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Term Stns - Distribution	398,412	-	-	-	-	398,412	-	-	-	-	-	-	-	-	-	-	
21	Subtotal Term Stns	4,536,610	387,471	418,953	2,204,149	696,864	398,412	-	-	-	-	-	-	-	-	-	430,761	
22	Subtotal Transmission	11,847,183	1,015,982	1,189,486	5,790,770	2,405,363	398,412	-	-	-	-	-	-	-	-	-	1,047,169	
Distribution																		
23	Substations	163,174	4,515	-	-	-	158,659	-	-	-	-	-	-	-	-	-	-	
24	Land & Land Improvements	70,663	-	-	-	-	-	53,277	6,787	-	-	6,179	4,420	-	-	-	-	
25	Poles	1,850,616	-	-	-	-	-	1,070,300	365,778	-	-	189,444	225,094	-	-	-	-	
26	Primary Conductor & Eqpt	271,631	-	-	-	-	-	240,936	30,694	-	-	-	-	-	-	-	-	
27	Submarine Conductor	94,774	-	-	-	-	-	94,774	-	-	-	-	-	-	-	-	-	
28	Transformers	542,150	-	-	-	-	-	-	-	195,716	346,434	-	-	-	-	-	-	
29	Secondary Conductor&Eqpt	53,374	-	-	-	-	-	-	-	-	-	31,117	22,257	-	-	-	-	
30	Services	126,517	-	-	-	-	-	-	-	-	-	-	-	126,517	-	-	-	
31	Meters	240,881	-	-	-	-	-	-	-	-	-	-	-	-	240,881	-	-	
32	Street Lighting	128,260	-	-	-	-	-	-	-	-	-	-	-	-	-	128,260	-	
33	Subtotal Distribution	3,542,041	4,515	-	-	-	158,659	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	
34	Subtl Prod, Trans, & Dist	48,745,315	21,583,121	13,982,954	5,790,770	2,405,363	557,071	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	
35	General	5,899,788	2,701,983	1,358,692	525,470	187,044	74,371	381,466	98,947	23,926	42,351	56,770	62,000	25,662	26,978	8,650	203,182	
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	Feasibility Studies	211,264	211,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39	Software - General	852,621	377,518	244,581	101,288	42,073	9,744	25,525	7,054	3,423	6,060	3,966	4,404	2,213	4,213	2,243	18,316	
40	Total Deprecn Expense	55,708,988	24,873,886	15,586,227	6,417,528	2,634,480	641,186	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
								8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)					
1	Average Net Book Value	1,453,224,206	579,758,687	477,006,190	175,855,118	64,400,349	14,368,064	52,861,043	15,221,547	4,129,097	7,308,845	9,120,840	9,967,424	5,473,685	3,303,606	1,288,495	2,221,219	30,939,996
2	Cash Working Capital	6,340,530	2,529,532	2,081,215	767,270	280,984	62,689	230,637	66,413	18,016	31,889	39,795	43,489	23,882	14,414	5,622	9,691	134,994
3	Fuel Inventory - No. 6 Fuel	34,447,050	-	34,447,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	186,223	186,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	3,992,487	3,992,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	24,359,458	9,616,973	7,150,309	3,142,937	1,260,190	275,716	1,120,654	290,683	70,289	124,417	166,775	182,140	75,390	63,759	25,412	68,965	724,849
7	Deferred Charges: Holyrood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	101,617,869	40,540,092	33,355,041	12,296,810	4,503,246	1,004,698	3,696,351	1,064,379	288,730	511,077	637,782	696,980	382,752	231,007	90,099	155,321	2,163,504
9	Total Rate Base	1,624,167,823	636,623,994	554,039,805	192,062,135	70,444,768	15,711,168	57,908,685	16,643,021	4,506,132	7,976,228	9,965,192	10,890,033	5,955,709	3,612,786	1,409,628	2,455,195	33,963,343
10	Less: Rural Asset Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Rate Base Available for Equity Return	1,624,167,823	636,623,994	554,039,805	192,062,135	70,444,768	15,711,168	57,908,685	16,643,021	4,506,132	7,976,228	9,965,192	10,890,033	5,955,709	3,612,786	1,409,628	2,455,195	33,963,343
12	Return on Debt	78,045,582	30,591,475	26,623,086	9,229,096	3,385,058	754,963	2,782,666	799,741	216,532	383,279	478,854	523,295	286,188	173,604	67,736	117,979	1,632,029
13	Return on Equity	29,279,428	11,476,638	9,987,865	3,462,370	1,269,932	283,231	1,043,940	300,029	81,234	143,790	179,646	196,318	107,366	65,129	25,412	44,261	612,269
14	Return on Rate Base	107,325,010	42,068,114	36,610,950	12,691,466	4,654,990	1,038,194	3,826,606	1,099,771	297,765	527,069	658,500	719,613	393,553	238,733	93,148	162,239	2,244,298

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.6A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 40
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Demand, Energy ratios Sch.4.1 L.10
4	Fuel Inventory - Diesel	Production - Demand, Energy ratios Sch.4.1 L.12
5	Fuel Inventory - Gas Turbine	Production - Demand, Energy ratios Sch.4.1 L.11
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 40
7	Deferred Charges: Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
9	Total Rate Base	
10	Less: Rural Asset Portion	N/A
11	Rate Base Available for Equity Return	
12	Return on Debt	L.9 x Sch.1.1,p2,L.14
13	Return on Equity	L.11 x Sch.1.1,p2,L.17
14	Return on Rate Base	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (1 CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Rural Prod & Transmission Demand (CP kW)	7-16 Distribution										17 Accounting Customer (Rural Cust)	18 Specifically Assigned Customer
							7 Substations Demand (CP kW)	8 Primary Lines Demand (CP kW) (Rural Cust)		9 Line Transformers Demand (CP kW) (Rural Cust)		10 Secondary Lines Demand (CP kW) (Rural Cust)		11 Services Customer (Wtd Rural Cust)	12 Meters Customer	13 Street Lighting Customer		
Amounts																		
1	Newfoundland Power	-	1,296,985	6,118,065	1,288,081	-	-	-	-	-	-	-	-	-	-	-	-	
2	Industrial - Firm	-	75,597	641,746	73,040	-	-	-	-	-	-	-	-	-	-	-	-	
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
4	1.1 Domestic	-	24,404	123,746	23,579	23,579	22,367	22,367	11,538	20,572	11,538	20,572	11,538	11,538	11,538	-	11,538	-
5	1.12 Domestic All Electric	-	32,264	158,460	31,173	31,173	29,571	29,571	8,236	27,197	8,236	27,197	8,236	8,236	8,236	-	8,236	-
6	1.3 Special	-	103	389	99	99	94	94	1	87	1	87	1	1	1	-	1	-
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.2 GS 10-100 kW	-	14,958	85,347	14,452	14,452	13,709	13,709	2,908	12,609	2,908	12,609	2,908	13,871	13,871	-	2,908	-
9	2.3 GS 110-1,000 kVa	-	12,610	67,875	12,184	12,184	11,558	11,558	92	10,589	92	10,589	92	774	774	-	92	-
10	2.4 GS Over 1,000 kVa	-	6,505	40,115	6,285	6,285	5,962	5,962	8	3,987	8	3,987	8	67	67	-	8	-
11	4.1 Street and Area Lighting	-	791	3,157	765	765	725	725	947	667	947	667	947	-	-	1	947	-
12	Subtotal Rural	-	91,636	479,089	88,537	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	-
13	Total	-	1,464,218	7,238,900	1,449,658	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	-
Ratios Excluding Return on Equity																		
14	Newfoundland Power	-	0.8858	0.8452	0.8885	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Industrial - Firm	-	0.0516	0.0887	0.0504	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural																		
17	1.1 Domestic	-	0.0167	0.0171	0.0163	0.2663	0.2663	0.2663	0.4862	0.2717	0.4862	0.2717	0.4862	0.3346	0.3346	-	0.4862	-
18	1.12 Domestic All Electric	-	0.0220	0.0219	0.0215	0.3521	0.3521	0.3521	0.3471	0.3592	0.3471	0.3592	0.3471	0.2388	0.2388	-	0.3471	-
19	1.3 Special	-	0.0001	0.0001	0.0001	0.0011	0.0011	0.0011	0.0000	0.0011	0.0000	0.0011	0.0000	0.0000	0.0000	-	0.0000	-
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.2 GS 10-100 kW	-	0.0102	0.0118	0.0100	0.1632	0.1632	0.1632	0.1225	0.1665	0.1225	0.1665	0.1225	0.4022	0.4022	-	0.1225	-
22	2.3 GS 110-1,000 kVa	-	0.0086	0.0094	0.0084	0.1376	0.1376	0.1376	0.0039	0.1399	0.0039	0.1399	0.0039	0.0224	0.0224	-	0.0039	-
23	2.4 GS Over 1,000 kVa	-	0.0044	0.0055	0.0043	0.0710	0.0710	0.0710	0.0003	0.0527	0.0003	0.0527	0.0003	0.0020	0.0020	-	0.0003	-
24	4.1 Street and Area Lighting	-	0.0005	0.0004	0.0005	0.0086	0.0086	0.0086	0.0399	0.0088	0.0399	0.0088	0.0399	-	-	1.0000	0.0399	-
25	Subtotal Rural	-	0.0626	0.0662	0.0611	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-
26	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D)

Line No.	1 Description	19 20 Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	Newfoundland Power	-	447,430,477
2	Industrial - Firm	-	16,126,195
3	Industrial - Non-Firm	-	4,881
Rural			
4	1.1 Domestic	13,662,764	13,662,764
5	1.12 Domestic All Electric	17,059,306	17,059,306
6	1.3 Special	19,235	19,235
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	9,534,018	9,534,018
9	2.3 GS 110-1,000 kVa	6,258,109	6,258,109
10	2.4 GS Over 1,000 kVa	3,348,569	3,348,569
11	4.1 Street and Area Lighting	1,030,113	1,030,113
12	Subtotal Rural	50,912,113	50,912,113
13	Total	50,912,113	514,473,667
Ratios Excluding Return on Equity			
14	Newfoundland Power	-	0.8697
15	Industrial - Firm	-	0.0313
16	Industrial - Non-Firm	-	0.0000
Rural			
17	1.1 Domestic	0.2684	0.0266
18	1.12 Domestic All Electric	0.3351	0.0332
19	1.3 Special	0.0004	0.0000
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	0.1873	0.0185
22	2.3 GS 110-1,000 kVa	0.1229	0.0122
23	2.4 GS Over 1,000 kVa	0.0658	0.0065
24	4.1 Street and Area Lighting	0.0202	0.0020
25	Subtotal Rural	1.0000	0.0990
26	Total	1.0000	1.0000

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2A
Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting (\$)	18 Specifically Assigned Customer (\$)	
							7 Substations Demand (\$)		8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)			13 Street Lighting Customer (\$)
							11 Customer (\$)	12 Customer (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)	16 Customer (\$)	17 Customer (\$)						
Allocated Rev Reqmt Excl Return																			
1	Newfoundland Power	286,344,918	83,535,651	184,602,655	15,182,956	-	-	-	-	-	-	-	-	-	-	-	-	2,409,028	
2	Industrial - Firm	26,347,305	4,869,011	19,363,632	860,942	-	-	-	-	-	-	-	-	-	-	-	-	1,231,568	
3	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
4	1.1 Domestic	14,977,586	1,571,831	3,733,827	277,932	1,933,172	531,563	2,077,468	968,578	174,749	553,478	313,334	608,328	203,228	240,476	-	1,408,586	-	
5	1.12 Domestic All Electric	17,195,931	2,078,063	4,781,276	367,445	2,555,781	702,762	2,746,550	691,416	231,030	395,098	414,248	434,253	145,074	171,663	-	1,005,514	-	
6	1.3 Special	41,578	6,616	11,739	1,170	8,136	2,237	8,744	84	735	48	1,319	53	18	21	-	122	-	
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.2 GS 10-100 kW	8,483,349	963,400	2,575,211	170,349	1,184,872	325,804	1,273,313	244,111	107,107	139,493	192,047	153,317	244,324	289,104	-	355,006	-	
9	2.3 GS 110-1,000 kVa	5,834,640	812,206	2,048,010	143,615	998,921	274,673	1,073,482	7,719	89,947	4,411	161,280	4,848	13,637	16,136	-	11,226	-	
10	2.4 GS Over 1,000 kVa	3,107,303	418,996	1,210,404	74,087	515,318	141,697	553,782	672	33,865	384	60,722	422	1,186	1,404	-	977	-	
11	4.1 Street and Area Lighting	928,066	50,964	95,272	9,011	62,680	17,235	67,358	79,501	5,666	45,430	10,159	49,932	-	-	290,512	115,617	-	
12	Subtotal Rural	50,568,453	5,902,076	14,455,740	1,043,609	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	-	
13	Total	363,260,683	94,306,738	218,422,027	17,087,507	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	3,640,596	
Allocated Return on Debt																			
14	Newfoundland Power	59,131,055	27,097,521	22,500,900	8,200,433	-	-	-	-	-	-	-	-	-	-	-	-	1,332,201	
15	Industrial - Firm	4,704,452	1,579,423	2,360,200	465,002	-	-	-	-	-	-	-	-	-	-	-	-	299,828	
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
17	1.1 Domestic	4,188,514	509,875	455,110	150,113	901,503	201,061	741,075	388,846	58,838	186,356	130,119	254,434	95,744	58,079	-	57,363	-	
18	1.12 Domestic All Electric	4,885,540	674,088	582,782	198,460	1,191,846	265,815	979,750	277,576	77,788	133,029	172,026	181,626	68,347	41,460	-	40,948	-	
19	1.3 Special	12,854	2,146	1,431	632	3,794	846	3,119	34	248	16	548	22	8	5	-	5	-	
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.2 GS 10-100 kW	2,372,694	312,510	313,888	92,007	552,545	123,233	454,217	98,001	36,063	46,967	79,752	64,125	115,105	69,824	-	14,457	-	
22	2.3 GS 110-1,000 kVa	1,657,968	263,466	249,628	77,568	465,830	103,893	382,933	3,099	30,285	1,485	66,975	2,028	6,424	3,897	-	457	-	
23	2.4 GS Over 1,000 kVa	853,047	135,915	147,534	40,015	240,310	53,596	197,545	270	11,402	129	25,216	176	559	339	-	40	-	
24	4.1 Street and Area Lighting	239,456	16,532	11,613	4,867	29,230	6,519	24,028	31,917	1,908	15,296	4,219	20,884	-	-	67,736	4,708	-	
25	Subtotal Rural	14,210,074	1,914,531	1,761,985	563,662	3,385,058	754,963	2,782,666	799,741	216,532	383,279	478,854	523,295	286,188	173,604	67,736	117,979	-	
26	Total	78,045,582	30,591,475	26,623,086	9,229,096	3,385,058	754,963	2,782,666	799,741	216,532	383,279	478,854	523,295	286,188	173,604	67,736	117,979	1,632,029	
Allocated Return on Equity																			
27	Newfoundland Power	22,183,491	10,165,853	8,441,394	3,076,458	-	-	-	-	-	-	-	-	-	-	-	-	499,786	
28	Industrial - Firm	1,764,913	592,533	885,448	174,449	-	-	-	-	-	-	-	-	-	-	-	-	112,483	
29	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
30	1.1 Domestic	1,571,355	191,284	170,738	56,316	338,206	75,429	278,020	145,879	22,074	69,913	48,815	95,453	35,919	21,789	-	21,520	-	
31	1.12 Domestic All Electric	1,832,850	252,889	218,635	74,454	447,131	99,723	367,561	104,135	29,183	49,907	64,537	68,139	25,641	15,554	-	15,362	-	
32	1.3 Special	4,822	805	537	237	1,423	317	1,170	13	93	6	205	8	3	2	-	2	-	
33	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	2.2 GS 10-100 kW	890,135	117,241	117,758	34,517	207,292	46,232	170,403	36,766	13,529	17,620	29,920	24,057	43,183	26,195	-	5,424	-	
35	2.3 GS 110-1,000 kVa	622,000	98,841	93,650	29,100	174,760	38,976	143,660	1,163	11,362	557	25,126	761	2,410	1,462	-	172	-	
36	2.4 GS Over 1,000 kVa	320,028	50,990	55,349	15,012	90,154	20,107	74,111	101	4,278	48	9,460	66	210	127	-	15	-	
37	4.1 Street and Area Lighting	89,834	6,202	4,357	1,826	10,966	2,446	9,014	11,974	716	5,738	1,583	7,835	-	-	25,412	1,766	-	
38	Subtotal Rural	5,331,024	718,252	661,023	211,462	1,269,932	283,231	1,043,940	300,029	81,234	143,790	179,646	196,318	107,366	65,129	25,412	44,261	-	
39	Total	29,279,428	11,476,638	9,987,865	3,462,370	1,269,932	283,231	1,043,940	300,029	81,234	143,790	179,646	196,318	107,366	65,129	25,412	44,261	612,269	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	1	19	20
			Revenue Related	
		Municipal Tax	PUB Assessment	
	Allocated Rev Reqmt Excl Return			(\$)
1	Newfoundland Power	-		614,629
2	Industrial - Firm	-		22,152
3	Industrial - Non-Firm	-		7
	Rural			
4	1.1 Domestic	362,266		18,768
5	1.12 Domestic All Electric	452,325		23,434
6	1.3 Special	510		26
7	2.1 GS 0-10 kW	-		-
8	2.2 GS 10-100 kW	252,793		13,097
9	2.3 GS 110-1,000 kVa	165,933		8,597
10	2.4 GS Over 1,000 kVa	88,787		4,600
11	4.1 Street and Area Lighting	27,313		1,415
12	Subtotal Rural	1,349,927		69,937
13	Total	1,349,927		706,725
	Allocated Return on Debt			
14	Newfoundland Power	-		-
15	Industrial - Firm	-		-
16	Industrial - Non-Firm	-		-
	Rural			
17	1.1 Domestic	-		-
18	1.12 Domestic All Electric	-		-
19	1.3 Special	-		-
20	2.1 GS 0-10 kW	-		-
21	2.2 GS 10-100 kW	-		-
22	2.3 GS 110-1,000 kVa	-		-
23	2.4 GS Over 1,000 kVa	-		-
24	4.1 Street and Area Lighting	-		-
25	Subtotal Rural	-		-
26	Total	-		-
	Allocated Return on Equity			
27	Newfoundland Power	-		-
28	Industrial - Firm	-		-
29	Industrial - Non-Firm	-		-
	Rural			
30	1.1 Domestic	-		-
31	1.12 Domestic All Electric	-		-
32	1.3 Special	-		-
33	2.1 GS 0-10 kW	-		-
34	2.2 GS 10-100 kW	-		-
35	2.3 GS 110-1,000 kVa	-		-
36	2.4 GS Over 1,000 kVa	-		-
37	4.1 Street and Area Lighting	-		-
38	Subtotal Rural	-		-
39	Total	-		-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution											17 Accounting (\$)	18 Specifically Assigned Customer (\$)			
							7 Substations		8 Primary Lines		9 Line Transformers		10 Secondary Lines		11	12	13			14	15	16
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)			Customer (\$)	Customer (\$)	Customer (\$)
40	Newfoundland Power	367,659,465	120,799,025	215,544,949	26,459,847	-	-	-	-	-	-	-	-	-	-	-	-	-	4,241,015			
41	Industrial - Firm	32,816,670	7,040,967	22,609,279	1,500,393	-	-	-	-	-	-	-	-	-	-	-	-	-	1,643,879			
42	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural																						
43	1.1 Domestic	20,737,455	2,272,989	4,359,675	484,362	3,172,881	808,053	3,096,563	1,503,302	255,661	809,746	492,268	958,214	334,891	320,344	-	1,487,469	-	-			
44	1.12 Domestic All Electric	23,914,321	3,005,041	5,582,693	640,358	4,194,758	1,068,300	4,093,861	1,073,127	338,001	578,034	650,811	684,018	239,061	228,676	-	1,061,824	-	-			
45	1.3 Special	59,254	9,567	13,707	2,039	13,354	3,401	13,033	130	1,076	70	2,072	83	29	28	-	129	-	-			
46	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
47	2.2 GS 10-100 kW	11,746,179	1,393,151	3,006,856	296,873	1,944,709	495,269	1,897,933	378,878	156,699	204,081	301,719	241,499	402,612	385,123	-	374,887	-	-			
48	2.3 GS 110-1,000 kVa	8,114,608	1,174,513	2,391,289	250,282	1,639,511	417,542	1,600,075	11,981	131,594	6,453	253,381	7,637	22,471	21,495	-	11,855	-	-			
49	2.4 GS Over 1,000 kVa	4,280,378	605,901	1,413,287	129,114	845,782	215,399	825,438	1,042	49,546	561	95,398	664	1,955	1,870	-	1,031	-	-			
50	4.1 Street and Area Lighting	1,257,356	73,698	111,241	15,705	102,875	26,200	100,401	123,391	8,289	66,464	15,961	78,650	-	-	383,660	122,092	-	-			
51	Subtotal Rural	70,109,551	8,534,859	16,878,748	1,818,733	11,913,871	3,034,164	11,627,304	3,091,851	940,866	1,665,410	1,811,609	1,970,766	1,001,020	957,537	383,660	3,059,288	-	-			
52	Total	470,585,693	136,374,851	255,032,977	29,778,973	11,913,871	3,034,164	11,627,304	3,091,851	940,866	1,665,410	1,811,609	1,970,766	1,001,020	957,537	383,660	3,059,288	5,884,894	-			
Re-classification of Revenue-Related																						
53	Newfoundland Power	-	202,282	360,937	44,308	-	-	-	-	-	-	-	-	-	-	-	-	-	7,102			
54	Industrial - Firm	-	4,756	15,272	1,013	-	-	-	-	-	-	-	-	-	-	-	-	-	1,110			
55	Industrial - Non-Firm	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural																						
56	1.1 Domestic	(0)	42,546	81,605	9,066	59,390	15,125	57,962	28,139	4,786	15,157	9,214	17,936	6,269	5,996	-	27,843	-	-			
57	1.12 Domestic All Electric	0	60,997	113,318	12,998	85,146	21,684	83,098	21,782	6,861	11,733	13,210	13,884	4,852	4,642	-	21,553	-	-			
58	1.3 Special	0	87	125	19	122	31	119	1	10	1	19	1	0	0	-	1	-	-			
59	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
60	2.2 GS 10-100 kW	0	32,266	69,640	6,876	45,041	11,471	43,957	8,775	3,629	4,727	6,988	5,593	9,325	8,920	-	8,683	-	-			
61	2.3 GS 110-1,000 kVa	(0)	25,817	52,563	5,501	36,038	9,178	35,171	263	2,893	142	5,570	168	494	472	-	261	-	-			
62	2.4 GS Over 1,000 kVa	-	13,514	31,522	2,880	18,864	4,804	18,411	23	1,105	13	2,128	15	44	42	-	23	-	-			
63	4.1 Street and Area Lighting	(0)	1,723	2,601	367	2,405	613	2,348	2,885	194	1,554	373	1,839	-	-	8,971	2,855	-	-			
64	Subtotal Rural	(0)	176,950	351,375	37,707	247,006	62,906	241,065	61,870	19,477	33,326	37,502	39,436	20,984	20,072	8,971	61,218	-	-			
65	Total	(7)	383,988	727,584	83,029	247,006	62,906	241,065	61,870	19,477	33,326	37,502	39,436	20,984	20,072	8,971	61,218	8,212	-			
Total Allocated Revenue Requirement																						
66	Newfoundland Power	367,659,465	121,001,307	215,905,886	26,504,155	-	-	-	-	-	-	-	-	-	-	-	-	-	4,248,117			
67	Industrial - Firm	32,816,670	7,045,723	22,624,552	1,501,406	-	-	-	-	-	-	-	-	-	-	-	-	-	1,644,989			
68	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural																						
69	1.1 Domestic	20,737,455	2,315,535	4,441,280	493,428	3,232,272	823,179	3,154,525	1,531,441	260,447	824,903	501,482	976,150	341,160	326,340	-	1,515,312	-	-			
70	1.12 Domestic All Electric	23,914,321	3,066,038	5,696,012	653,356	4,279,904	1,089,984	4,176,958	1,094,909	344,862	589,767	664,021	697,902	243,913	233,318	-	1,083,377	-	-			
71	1.3 Special	59,254	9,654	13,832	2,057	13,476	3,432	13,152	131	1,086	71	2,091	84	29	28	-	130	-	-			
72	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
73	2.2 GS 10-100 kW	11,746,179	1,425,417	3,076,497	303,749	1,989,750	506,739	1,941,890	387,653	160,328	208,807	308,707	247,092	411,937	394,043	-	383,570	-	-			
74	2.3 GS 110-1,000 kVa	8,114,608	1,200,330	2,443,851	255,784	1,675,549	426,720	1,635,246	12,244	134,487	6,595	258,950	7,805	22,965	21,968	-	12,115	-	-			
75	2.4 GS Over 1,000 kVa	4,280,378	619,415	1,444,809	131,994	864,646	220,204	843,849	1,066	50,651	574	97,526	679	1,999	1,912	-	1,054	-	-			
76	4.1 Street and Area Lighting	1,257,356	75,421	113,842	16,072	105,281	26,812	102,748	126,277	8,483	68,018	16,334	80,489	-	-	392,631	124,947	-	-			
77	Subtotal Rural	70,109,551	8,711,810	17,230,123	1,856,440	12,160,877	3,097,071	11,868,369	3,153,721	960,342	1,698,736	1,849,111	2,010,202	1,022,003	977,609	392,631	3,120,506	-	-			
78	Total	470,585,686	136,758,840	255,760,561	29,862,002	12,160,877	3,097,071	11,868,369	3,153,721	960,342	1,698,736	1,849,111	2,010,202	1,022,003	977,609	392,631	3,120,506	5,893,106	-			

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal Tax	PUB Assessment	
		19	20	
	Total Revenue Requirement	(\$)	(\$)	
40	Newfoundland Power	-	614,629	
41	Industrial - Firm	-	22,152	
42	Industrial - Non-Firm	-	7	
	Rural			
43	1.1 Domestic	362,266	18,768	
44	1.12 Domestic All Electric	452,325	23,434	
45	1.3 Special	510	26	
46	2.1 GS 0-10 kW	-	-	
47	2.2 GS 10-100 kW	252,793	13,097	
48	2.3 GS 110-1,000 kVa	165,933	8,597	
49	2.4 GS Over 1,000 kVa	88,787	4,600	
50	4.1 Street and Area Lighting	27,313	1,415	
51	Subtotal Rural	1,349,927	69,937	
52	Total	1,349,927	706,725	
	Re-classification of Revenue-Related			
53	Newfoundland Power	-	(614,629)	Re-classification to demand, energy and customer is based on rate class revenue requirements excluding revenue-related items.
54	Industrial - Firm	-	(22,152)	
55	Industrial - Non-Firm	-	(7)	
	Rural			
56	1.1 Domestic	(362,266)	(18,768)	
57	1.12 Domestic All Electric	(452,325)	(23,434)	
58	1.3 Special	(510)	(26)	
59	2.1 GS 0-10 kW	-	-	
60	2.2 GS 10-100 kW	(252,793)	(13,097)	
61	2.3 GS 110-1,000 kVa	(165,933)	(8,597)	
62	2.4 GS Over 1,000 kVa	(88,787)	(4,600)	
63	4.1 Street and Area Lighting	(27,313)	(1,415)	
64	Subtotal Rural	(1,349,927)	(69,937)	
65	Total	(1,349,927)	(706,725)	
	Total Allocated Revenue Requirement			
66	Newfoundland Power	-	-	
67	Industrial - Firm	-	-	
68	Industrial - Non-Firm	-	-	
	Rural			
69	1.1 Domestic	-	-	
70	1.12 Domestic All Electric	-	-	
71	1.3 Special	-	-	
72	2.1 GS 0-10 kW	-	-	
73	2.2 GS 10-100 kW	-	-	
74	2.3 GS 110-1,000 kVa	-	-	
75	2.4 GS Over 1,000 kVa	-	-	
76	4.1 Street and Area Lighting	-	-	
77	Subtotal Rural	-	-	
78	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Allocation of Specifically Assigned Amounts to Classes of Service

Line No.	Description	Total Amount (\$)	OM&A				Depreciation				Expense Credits		Gains/Losses (\$)	Subtotal Excluding Return (\$)	Return on Debt (\$)	Return on Equity (\$)	Subtotal Excl Rev Related (\$)	Revenue Related (\$)
			Lines (\$)	Terminals (\$)	General (\$)	Other (\$)	Lines (\$)	Terminals (\$)	Feasibility Study (\$)	General (\$)	Income (\$)	Other (\$)						
			(Plant)	(Plant)	(C3 & C4)	(C3 & C4)	(Direct)	(Direct)	(Direct)	(Exp C3,4,6)	(Plant)	(C6)	(NBV)		(NBV)	(NBV)		
Basis of Allocation - Amounts																		
1	Newfoundland Power		25,304,070	13,005,806	38,309,875	38,309,875	-	-	-	743,804	38,309,875	38,309,875	24,090,999	-	24,090,999	24,090,999	-	-
Industrial																		
2	Vale		6,554,033	4,509,884	11,063,917	11,063,917	-	-	-	223,726	11,063,917	11,063,917	346,327	-	346,327	346,327	-	-
3	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corner Brook P&P - CB		-	7,052,376	7,052,376	7,052,376	-	-	-	192,018	7,052,376	7,052,376	4,753,752	-	4,753,752	4,753,752	-	-
5	Corner Brook P&P - DL		-	19,788	19,788	19,788	-	-	-	539	19,788	19,788	11,393	-	11,393	11,393	-	-
6	North Atlantic Refining Limited		-	1,127,618	1,127,618	1,127,618	-	-	-	30,702	1,127,618	1,127,618	310,497	-	310,497	310,497	-	-
7	Teck Resources		4,534,363	909,953	5,444,315	5,444,315	-	-	-	94,606	5,444,315	5,444,315	0	-	0	0	-	-
8	Subtotal Industrial		11,088,396	13,619,619	24,708,015	24,708,015	-	-	-	541,591	24,708,015	24,708,015	5,421,969	-	5,421,969	5,421,969	-	-
9	Total		36,392,465	26,625,425	63,017,890	63,017,890	-	-	-	1,285,395	63,017,890	63,017,890	29,512,968	-	29,512,968	29,512,968	-	-
Basis of Allocation - Ratios																		
11	Newfoundland Power		0.6953	0.4885	0.6079	0.6079	-	-	-	0.5787	0.6079	0.6079	0.8163	-	0.8163	0.8163	-	-
Industrial																		
12	Vale		0.1801	0.1694	0.1756	0.1756	-	-	-	0.1741	0.1756	0.1756	0.0117	-	0.0117	0.0117	-	-
13	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Corner Brook P&P - CB		-	0.2649	0.1119	0.1119	-	-	-	0.1494	0.1119	0.1119	0.1611	-	0.1611	0.1611	-	-
15	Corner Brook P&P - DL		-	0.0007	0.0003	0.0003	-	-	-	0.0004	0.0003	0.0003	0.0004	-	0.0004	0.0004	-	-
16	North Atlantic Refining Ltd.		-	0.0424	0.0179	0.0179	-	-	-	0.0239	0.0179	0.0179	0.0105	-	0.0105	0.0105	-	-
17	Teck Resources		0.1246	0.0342	0.0864	0.0864	-	-	-	0.0736	0.0864	0.0864	0.0000	-	0.0000	0.0000	-	-
18	Subtotal Industrial		0.3047	0.5115	0.3921	0.3921	-	-	-	0.4213	0.3921	0.3921	0.1837	-	0.1837	0.1837	-	-
19	Total		1.0000	1.0000	1.0000	1.0000	-	-	-	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	-	-
Amounts Allocated																		
20	Newfoundland Power	4,248,117	288,942	302,333	672,417	152,528	616,408	241,978	-	81,366	(325)	(8,414)	61,794	2,409,028	1,332,201	499,786	4,241,015	7,102
Industrial																		
21	Vale	480,587	74,839	104,837	194,194	44,050	-	13,167	-	24,474	(94)	(2,430)	888	453,926	19,151	7,185	480,262	324
22	Abitibi Consolidated - GF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Corner Brook P&P - CB	872,626	-	163,940	123,784	28,079	-	163,149	-	21,005	(60)	(1,549)	12,194	510,541	262,876	98,620	872,037	589
24	Corner Brook P&P - DL	2,781	-	460	347	79	-	943	-	59	(0)	(4)	29	1,913	630	236	2,779	2
25	North Atlantic Refining Ltd.	89,588	-	26,213	19,792	4,490	-	11,524	-	3,359	(10)	(248)	796	65,916	17,170	6,441	89,528	60
26	Teck Resources	199,407	51,777	21,153	95,559	21,676	-	-	-	10,349	(46)	(1,196)	0	199,272	0	0	199,272	135
27	Subtotal Industrial	1,644,989	126,616	316,602	433,676	98,373	-	188,783	-	59,246	(209)	(5,427)	13,908	1,231,568	299,828	112,483	1,643,879	1,110
28	Total	5,893,106	415,559	618,935	1,106,093	250,902	616,408	430,761	-	140,612	(534)	(13,841)	75,702	3,640,596	1,632,029	612,269	5,884,894	8,212

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.1B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Expenses																	
1	Operating & Maintenance	5,615,999	1,848,491	2,300,727	-	12,406	605,211	181,748	47,837	84,676	109,601	119,258	55,294	26,822	15,412	167,235	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	2,198,340	-	2,198,340	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	202,500	-	202,500	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-
Expense Credits																	
8	Sundry	(28,122)	(9,256)	(11,521)	-	(62)	(3,031)	(910)	(240)	(424)	(549)	(597)	(277)	(134)	(77)	(837)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(4,381)	(1,442)	(1,795)	-	(10)	(472)	(142)	(37)	(66)	(85)	(93)	(43)	(21)	(12)	(130)	-
12	Pole Attachments	(24,203)	-	-	-	-	(13,998)	(4,784)	-	-	(2,478)	(2,944)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(168)	-	-	-	-	-	-	-	-	-	-	-	-	-	(168)	-
16	Meter Test Revenues	(57)	-	-	-	-	-	-	-	-	-	-	-	(57)	-	-	-
17	Total Expense Credits	(56,931)	(10,698)	(13,316)	-	(72)	(17,500)	(5,836)	(277)	(490)	(3,112)	(3,634)	(320)	(212)	(89)	(1,136)	-
18	Subtotal Expenses	8,499,096	2,019,697	4,915,104	-	13,932	641,230	193,023	54,519	96,503	116,007	126,452	59,537	33,535	19,325	169,189	-
19	Disposal Gain / Loss	133,059	41,560	51,619	-	406	18,151	5,740	1,549	2,741	3,327	3,718	2,335	999	444	469	-
20	Subtotal Revenue Requirement Ex. Return	8,632,155	2,061,257	4,966,723	-	14,338	659,381	198,763	56,068	99,245	119,335	130,170	61,872	34,533	19,769	169,658	-
21	Return on Debt	605,545	186,913	240,107	-	1,818	81,302	25,687	6,928	12,263	14,901	16,644	10,404	4,470	1,989	2,120	-
22	Return on Equity	227,175	70,122	90,078	-	682	30,501	9,637	2,599	4,600	5,590	6,244	3,903	1,677	746	795	-
23	Total Revenue Requirement	9,464,875	2,318,292	5,296,908	-	16,838	771,185	234,087	65,595	116,108	139,825	153,059	76,179	40,680	22,505	172,573	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.1B
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	18		19	20
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
	Expenses				
1	Operating & Maintenance	39,247	2,033	Carryforward from Sch.2.4 L.24	
2	Fuels	-	-	Production - Energy	
3	Fuels-Diesel	-	-	Production - Energy	
4	Fuels-Gas Turbine	-	-	Production - Energy	
5	Power Purchases -CF(L)Co	-	-		
6	Power Purchases-Other	-	-		
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23	
	Expense Credits				
8	Sundry	(197)	(10)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17	
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
11	Suppliers' Discounts	(31)	(2)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
13	Secondary Energy Revenues	-	-	Production - Energy	
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16	
15	Application Fees	-	-	Accounting - Customer	
16	Meter Test Revenues	-	-	Meters - Customer	
17	Total Expense Credits	<u>(227)</u>	<u>(12)</u>		
18	Subtotal Expenses	39,020	2,022		
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23	
20	Subtotal Revenue Requirement Ex. Return	39,020	2,022		
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8	
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10	
23	Total Revenue Requirement	<u><u>39,020</u></u>	<u><u>2,022</u></u>		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	253,721	201,749	-	-	51,973	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	76,483	-	-	-	-	57,665	7,346	-	-	6,688	4,784	-	-	-	-	
8	Poles	3,549,836	-	-	-	-	2,053,041	701,632	-	-	363,390	431,774	-	-	-	-	
9	Primary Conductor & Equipment	489,822	-	-	-	-	434,472	55,350	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	557,274	-	-	-	-	-	-	201,176	356,098	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	155,817	-	-	-	-	-	-	-	-	90,841	64,976	-	-	-	-	
13	Services	232,537	-	-	-	-	-	-	-	-	-	-	232,537	-	-	-	
14	Meters	138,516	-	-	-	-	-	-	-	-	-	-	-	138,516	-	-	
15	Street Lighting	64,813	-	-	-	-	-	-	-	-	-	-	-	-	64,813	-	
16	Subtotal Distribution	5,518,820	201,749	-	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
17	Subttl Prod, Trans, & Dist	20,642,259	6,840,817	8,484,371	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
18	General	2,438,631	866,586	1,088,920	-	3,735	182,919	54,931	14,458	25,592	33,126	36,045	16,712	6,193	4,658	104,756	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	41,659	13,806	17,123	-	105	5,137	1,543	406	719	930	1,012	469	280	131	-	
22	Software - Cust Actng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	23,122,548	7,721,208	9,590,414	-	55,813	2,733,232	820,802	216,040	382,409	494,975	538,590	249,718	144,988	69,601	104,756	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.2B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Island Isolated
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONTD.)

1	18	
Line No.	Description	Basis of Functional Classification
Production		
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.6
2	Subtotal Production	
Transmission		
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
Distribution		
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.3B

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Net Book Value

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				4 Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Diesel	7,081,070	3,108,533	3,972,537	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	7,081,070	3,108,533	3,972,537	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	126,876	93,751	-	-	33,125	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	50,783	-	-	-	-	38,288	4,878	-	-	4,441	3,176	-	-	-	-	
8	Poles	2,252,619	-	-	-	-	1,302,798	445,235	-	-	230,596	273,991	-	-	-	-	
9	Primary Conductor & Equipment	148,786	-	-	-	-	131,973	16,813	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	349,358	-	-	-	-	-	-	126,118	223,240	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	60,286	-	-	-	-	-	-	-	-	35,146	25,139	-	-	-	-	
13	Services	192,060	-	-	-	-	-	-	-	-	-	-	192,060	-	-	-	
14	Meters	82,512	-	-	-	-	-	-	-	-	-	-	-	82,512	-	-	
15	Street Lighting	35,944	-	-	-	-	-	-	-	-	-	-	-	-	35,944	-	
16	Subtotal Distribution	3,299,223	93,751	-	-	33,125	1,473,059	466,925	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
17	Subttl Prod, Trans, & Dist	10,380,293	3,202,284	3,972,537	-	33,125	1,473,059	466,925	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
18	General	931,299	330,944	415,852	-	1,426	69,856	20,978	5,522	9,774	12,651	13,765	6,382	2,365	1,779	40,006	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	31,680	9,773	12,124	-	101	4,496	1,425	385	681	825	923	586	252	110	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	11,343,272	3,543,001	4,400,514	-	34,653	1,547,410	489,328	132,025	233,694	283,659	316,994	199,028	85,129	37,833	40,006	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							8 Customer (\$)	10 Customer (\$)	12 Customer (\$)	11 Customer (\$)							
Production																	
1	Diesel	2,130,539	935,289	1,195,250	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	314,161	137,914	176,247	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	2,444,700	1,073,204	1,371,497	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	487,018	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	-	5,867	-	-
9	Meters	7,800	-	-	-	-	-	-	-	-	-	-	-	7,800	-	-	-
10	Subtotal Distribution	494,818	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-
11	Subttl Prod, Trans, & Dist	2,939,518	1,091,466	1,371,497	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-
12	Customer Accounting	131,940	-	-	-	-	-	-	-	-	-	-	-	-	-	131,940	-
Administrative & General:																	
Plant-Related:																	
13	Production	668,726	293,565	375,160	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	571,487	20,892	-	-	5,382	263,559	79,148	20,832	36,875	47,729	51,935	24,080	14,344	6,712	-	-
16	Prod, Trans, Distn Plant	356,326	118,086	146,457	-	897	43,935	13,194	3,473	6,147	7,956	8,657	4,014	2,391	1,119	-	-
17	Prod, Trans, Distn and Gen Plt	3,528	1,178	1,463	-	9	417	125	33	58	76	82	38	22	11	16	-
18	Property Insurance	16,396	7,093	8,810	-	51	168	51	13	24	30	33	15	6	4	96	-
Revenue Related:																	
19	Municipal Tax	39,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	2,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	819,027	291,047	365,719	-	1,254	61,434	18,449	4,856	8,595	11,125	12,106	5,613	2,080	1,564	35,183	-
22	Prod, Trans, and Distn Expense-Related	67,771	25,164	31,620	-	108	5,312	1,595	420	743	962	1,047	485	180	135	-	-
23	Subtotal Admin & General	2,544,540	757,025	929,230	-	7,702	374,825	112,562	29,627	52,442	67,879	73,860	34,245	19,022	9,545	35,295	-
24	Total Operating & Maintenance Expenses	5,615,999	1,848,491	2,300,727	-	12,406	605,211	181,748	47,837	84,676	109,601	119,258	55,294	26,822	15,412	167,235	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
		Revenue Related		
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L6
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and Gen Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	39,247	-	Revenue-related
20	PUB Assessment	-	2,033	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>39,247</u>	<u>2,033</u>	
24	Total Operating & Maintenance Expenses	<u><u>39,247</u></u>	<u><u>2,033</u></u>	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.5B
Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		12 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
6	Substn Struct & Eqpt	5,357	3,895	-	-	1,461	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	1,458	-	-	-	-	1,100	140	-	-	128	91	-	-	-	-	-
8	Poles	74,203	-	-	-	-	42,915	14,666	-	-	7,596	9,025	-	-	-	-	-
9	Primary Conductor & Equipment	3,700	-	-	-	-	3,282	418	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	17,784	-	-	-	-	-	-	6,420	11,364	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	1,151	-	-	-	-	-	-	-	-	671	480	-	-	-	-	-
13	Services	4,000	-	-	-	-	-	-	-	-	-	-	4,000	-	-	-	-
14	Meters	6,626	-	-	-	-	-	-	-	-	-	-	-	6,626	-	-	-
15	Street Lighting	3,799	-	-	-	-	-	-	-	-	-	-	-	-	3,799	-	-
16	Subtotal Distribution	118,079	3,895	-	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
17	Subtotal Prod Tran & Dist	459,228	153,657	191,388	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
18	General	71,927	25,560	32,118	-	110	5,395	1,620	426	755	977	1,063	493	183	137	3,090	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	8,033	2,688	3,348	-	26	827	266	112	199	147	168	70	116	66	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Depreciation Expense	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
1	Average Net Book Value	11,343,272	3,543,001	4,400,514	-	34,653	1,547,410	489,328	132,025	233,694	283,659	316,994	199,028	85,129	37,833	40,006	-
2	Cash Working Capital	49,492	15,458	19,200	-	151	6,751	2,135	576	1,020	1,238	1,383	868	371	165	175	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	165,549	-	165,549	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	250,202	83,549	103,775	-	604	29,575	8,882	2,338	4,138	5,356	5,828	2,702	1,569	753	1,134	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	793,187	247,747	307,709	-	2,423	108,204	34,217	9,232	16,341	19,835	22,166	13,917	5,953	2,645	2,797	-
8	Total Rate Base	12,601,702	3,889,755	4,996,747	-	37,831	1,691,941	534,561	144,170	255,193	310,087	346,371	216,516	93,022	41,396	44,111	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	12,601,702	3,889,755	4,996,747	-	37,831	1,691,941	534,561	144,170	255,193	310,087	346,371	216,516	93,022	41,396	44,111	-
11	Return on Debt	605,545	186,913	240,107	-	1,818	81,302	25,687	6,928	12,263	14,901	16,644	10,404	4,470	1,989	2,120	-
12	Return on Equity	227,175	70,122	90,078	-	682	30,501	9,637	2,599	4,600	5,590	6,244	3,903	1,677	746	795	-
13	Return on Rate Base	832,720	257,035	330,185	-	2,500	111,803	35,324	9,527	16,863	20,491	22,888	14,307	6,147	2,735	2,915	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.6B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Island Isolated
 Functional Classification of Rate Base (CONTD.)

1	18
Line No.	Basis of Functional Classification
1	Average Net Book Value Sch. 2.3 , L. 23
2	Cash Working Capital Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel
4	Fuel Inventory - Diesel
5	Fuel Inventory - Gas Turbine Production - Energy
6	Inventory/Supplies Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs Prorated on Average Net Book Value, L. 1
8	Total Rate Base
9	Less: Rural Portion
10	Rate Base Available for Equity Return
11	Return on Debt L.8 x Sch.1.1,p2,L.14
12	Return on Equity L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Basis of Allocation to Classes of Service

Line No.	Description	Total Amount	Production and			Distribution											Accounting Customer	Specifically Assigned Customer
			Production Demand	Transmission Energy	Transmission Demand	Substations Demand	Primary Lines Demand		Line Transformers Demand		Secondary Lines Demand		Services Customer	Meters Customer	Street Lighting Customer			
			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wtd Rural Cust)	(Rural Cust)	(Rural Cust)			
Amounts																		
1	1.2 Domestic Diesel	-	1,207	5,660	1,207	1,166	1,166	698	1,103	698	1,103	698	698	698	-	698	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	-	126	784	126	121	121	96	115	96	115	96	180	180	-	96	-	
5	2.2 GS 10-100 kW	-	110	726	110	106	106	13	100	13	100	13	62	62	-	13	-	
6	2.3 GS 110-1,000 kVa	-	88	370	88	85	85	1	81	1	81	1	8	8	-	1	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	-	25	105	25	24	24	38	23	38	23	38	-	-	38	38	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	-	1,556	7,646	1,556	1,502	1,502	846	1,421	846	1,421	846	949	949	38	846	-	
Ratios																		
13	1.2 Domestic Diesel	-	0.7760	0.7402	0.7760	0.7760	0.7760	0.8251	0.7760	0.8251	0.7760	0.8251	0.7358	0.7358	-	0.8251	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	-	0.0807	0.1026	0.0807	0.0807	0.0807	0.1135	0.0807	0.1135	0.0807	0.1135	0.1900	0.1900	-	0.1135	-	
17	2.2 GS 10-100 kW	-	0.0707	0.0950	0.0707	0.0707	0.0707	0.0154	0.0707	0.0154	0.0707	0.0154	0.0654	0.0654	-	0.0154	-	
18	2.3 GS 110-1,000 kVa	-	0.0567	0.0484	0.0567	0.0567	0.0567	0.0012	0.0567	0.0012	0.0567	0.0012	0.0089	0.0089	-	0.0012	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	-	0.0160	0.0138	0.0160	0.0160	0.0160	0.0449	0.0160	0.0449	0.0160	0.0449	-	-	1.0000	0.0449	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	
			Revenue Related		Revenue Related	
			Municipal Tax (Prior Year (Rural Revenues)		PUB Assessment (Prior Year (Revenues + RSP)	
Amounts						
1		1.2 Domestic Diesel	796,792		796,792	
2		1.2G Government Domestic Diesel	-		-	
3		1.23 Churches, Schools & Com Halls	-		-	
4		2.1 GS 0-10 kW	205,730		205,730	
5		2.2 GS 10-100 kW	427,531		427,531	
6		2.3 GS 110-1,000 kVa	-		-	
7		2.4 GS Over 1,000 kVa	-		-	
8		2.5 GS Diesel	-		-	
9		2.5G Gov't General Service Diesel	-		-	
10		4.1 Street and Area Lighting	41,568		41,568	
11		4.1G Gov't Street and Area Lighting	-		-	
12		Total	1,471,621		1,471,621	
Ratios						
13		1.2 Domestic Diesel	0.5414		0.5414	
14		1.2G Government Domestic Diesel	-		-	
15		1.23 Churches, Schools & Com Halls	-		-	
16		2.1 GS 0-10 kW	0.1398		0.1398	
17		2.2 GS 10-100 kW	0.2905		0.2905	
18		2.3 GS 110-1,000 kVa	-		-	
19		2.4 GS Over 1,000 kVa	-		-	
20		2.5 GS Diesel	-		-	
21		2.5G Gov't General Service Diesel	-		-	
22		4.1 Street and Area Lighting	0.0282		0.0282	
23		4.1G Gov't Street and Area Lighting	-		-	
24		Total	1.0000		1.0000	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2B

Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
Allocated Revenue Requirement Excluding Return																	
1	1.2 Domestic Diesel	6,521,424	1,599,536	3,676,567	-	11,126	511,680	163,991	43,509	81,883	92,604	107,398	45,523	25,409	-	139,978	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	836,100	166,275	509,436	-	1,157	53,190	22,555	4,523	11,262	9,626	14,771	11,755	6,561	-	19,252	-
5	2.2 GS 10-100 kW	704,946	145,662	471,867	-	1,013	46,596	3,054	3,962	1,525	8,433	2,000	4,044	2,257	-	2,607	-
6	2.3 GS 110-1,000 kVa	406,917	116,805	240,433	-	812	37,365	235	3,177	117	6,762	154	549	306	-	201	-
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	162,768	32,980	68,420	-	229	10,550	8,928	897	4,458	1,909	5,847	-	-	19,769	7,621	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	8,632,155	2,061,257	4,966,723	-	14,338	659,381	198,763	56,068	99,245	119,335	130,170	61,872	34,533	19,769	169,658	-
Allocated Return on Debt and Equity																	
13	1.2 Domestic Diesel	635,264	199,459	244,416	-	1,940	86,759	29,144	7,393	13,913	15,901	18,884	10,527	4,523	-	2,405	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	78,979	20,734	33,867	-	202	9,019	4,008	768	1,914	1,653	2,597	2,718	1,168	-	331	-
17	2.2 GS 10-100 kW	62,267	18,164	31,369	-	177	7,901	543	673	259	1,448	352	935	402	-	45	-
18	2.3 GS 110-1,000 kVa	39,001	14,565	15,984	-	142	6,336	42	540	20	1,161	27	127	55	-	3	-
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	17,209	4,113	4,549	-	40	1,789	1,587	152	757	328	1,028	-	-	2,735	131	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	832,720	257,035	330,185	-	2,500	111,803	35,324	9,527	16,863	20,491	22,888	14,307	6,147	2,735	2,915	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2B

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Island Isolated
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	18		19	Basis of Proration
		Revenue Related		PUB	
	Description	Municipal Tax (\$)	Assessment (\$)		
	Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	21,127	1,095		
2	1.2G Government Domestic Diesel	-	-		
3	1.23 Churches, Schools & Com Halls	-	-		
4	2.1 GS 0-10 kW	5,455	283		
5	2.2 GS 10-100 kW	11,336	587		
6	2.3 GS 110-1,000 kVa	-	-		
7	2.4 GS Over 1,000 kVa	-	-		
8	2.5 GS Diesel	-	-		
9	2.5G Gov't General Service Diesel	-	-		
10	4.1 Street and Area Lighting	1,102	57		
11	4.1G Gov't Street and Area Lighting	-	-		
12	Total	39,020	2,022		
	Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-		
14	1.2G Government Domestic Diesel	-	-		
15	1.23 Churches, Schools & Com Halls	-	-		
16	2.1 GS 0-10 kW	-	-		
17	2.2 GS 10-100 kW	-	-		
18	2.3 GS 110-1,000 kVa	-	-		
19	2.4 GS Over 1,000 kVa	-	-		
20	2.5 GS Diesel	-	-		
21	2.5G Gov't General Service Diesel	-	-		
22	4.1 Street and Area Lighting	-	-		
23	4.1G Gov't Street and Area Lighting	-	-		
24	Total	-	-		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)**

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)										
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Customer (\$)		9 Line Transformers Demand (\$)		10 Customer (\$)				11 Secondary Lines Demand (\$)		12 Customer (\$)		13 Services Customer (\$)		14 Meters Customer (\$)		15 Street Lighting Customer (\$)	
						6	7	8	9	10	11	12	13	14	15												
Total Revenue Requirement																											
25	1.2 Domestic Diesel	7,156,689	1,798,995	3,920,983	-	13,066	598,439	193,135	50,901	95,796	108,504	126,282	56,050	29,931	-	142,383	-										
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
28	2.1 GS 0-10 kW	915,079	187,009	543,303	-	1,358	62,209	26,563	5,291	13,175	11,279	17,368	14,473	7,729	-	19,583	-										
29	2.2 GS 10-100 kW	767,213	163,826	503,237	-	1,190	54,497	3,597	4,635	1,784	9,881	2,352	4,980	2,659	-	2,652	-										
30	2.3 GS 110-1,000 kVa	445,918	131,370	256,417	-	954	43,700	277	3,717	137	7,923	181	676	361	-	204	-										
31	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
34	4.1 Street and Area Lighting	179,977	37,093	72,969	-	269	12,339	10,515	1,050	5,215	2,237	6,875	-	-	22,505	7,752	-										
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
36	Total	9,464,875	2,318,292	5,296,908	-	16,838	771,185	234,087	65,595	116,108	139,825	153,059	76,179	40,680	22,505	172,573	-										
Re-classification of Revenue-Related																											
37	1.2 Domestic Diesel	(0)	5,603	12,212	-	41	1,864	602	159	298	338	393	175	93	-	443	-										
38	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
39	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
40	2.1 GS 0-10 kW	0	1,180	3,428	-	9	393	168	33	83	71	110	91	49	-	124	-										
41	2.2 GS 10-100 kW	(0)	2,586	7,944	-	19	860	57	73	28	156	37	79	42	-	42	-										
42	2.3 GS 110-1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
43	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
44	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
45	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
46	4.1 Street and Area Lighting	0	240	473	-	2	80	68	7	34	15	45	-	-	146	50	-										
47	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
48	Total	(0)	9,610	24,058	-	70	3,197	894	272	443	580	585	345	184	146	659	-										
Total Allocated Revenue Requirement																											
49	1.2 Domestic Diesel	7,156,689	1,804,598	3,933,195	-	13,107	600,303	193,737	51,060	96,094	108,842	126,676	56,225	30,024	-	142,827	-										
50	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
51	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
52	2.1 GS 0-10 kW	915,079	188,189	546,731	-	1,367	62,601	26,731	5,325	13,258	11,350	17,478	14,565	7,778	-	19,706	-										
53	2.2 GS 10-100 kW	767,213	166,412	511,181	-	1,209	55,357	3,654	4,709	1,812	10,037	2,389	5,058	2,701	-	2,694	-										
54	2.3 GS 110-1,000 kVa	445,918	131,370	256,417	-	954	43,700	277	3,717	137	7,923	181	676	361	-	204	-										
55	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
56	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
57	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
58	4.1 Street and Area Lighting	179,977	37,333	73,442	-	271	12,419	10,583	1,056	5,249	2,252	6,920	-	-	22,651	7,802	-										
59	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
60	Total	9,464,875	2,327,902	5,320,966	-	16,908	774,381	234,981	65,867	116,551	140,405	153,643	76,524	40,864	22,651	173,232	-										

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2B

Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Island Isolated
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Total Revenue Requirement				
25	1.2 Domestic Diesel	21,127	1,095	
26	1.2G Government Domestic Diesel	-	-	
27	1.23 Churches, Schools & Com Halls	-	-	
28	2.1 GS 0-10 kW	5,455	283	
29	2.2 GS 10-100 kW	11,336	587	
30	2.3 GS 110-1,000 kVa	-	-	
31	2.4 GS Over 1,000 kVa	-	-	
32	2.5 GS Diesel	-	-	
33	2.5G Gov't General Service Diesel	-	-	
34	4.1 Street and Area Lighting	1,102	57	
35	4.1G Gov't Street and Area Lighting	-	-	
36	Total	39,020	2,022	
Re-classification of Revenue-Related				
37	1.2 Domestic Diesel	(21,127)	(1,095)	Re-classification to demand, energy and customer is based on rate class revenue
38	1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.
39	1.23 Churches, Schools & Com Halls	-	-	
40	2.1 GS 0-10 kW	(5,455)	(283)	
41	2.2 GS 10-100 kW	(11,336)	(587)	
42	2.3 GS 110-1,000 kVa	-	-	
43	2.4 GS Over 1,000 kVa	-	-	
44	2.5 GS Diesel	-	-	
45	2.5G Gov't General Service Diesel	-	-	
46	4.1 Street and Area Lighting	(1,102)	(57)	
47	4.1G Gov't Street and Area Lighting	-	-	
48	Total	(39,020)	(2,022)	
Total Allocated Revenue Requirement				
49	1.2 Domestic Diesel	-	-	
50	1.2G Government Domestic Diesel	-	-	
51	1.23 Churches, Schools & Com Halls	-	-	
52	2.1 GS 0-10 kW	-	-	
53	2.2 GS 10-100 kW	-	-	
54	2.3 GS 110-1,000 kVa	-	-	
55	2.4 GS Over 1,000 kVa	-	-	
56	2.5 GS Diesel	-	-	
57	2.5G Gov't General Service Diesel	-	-	
58	4.1 Street and Area Lighting	-	-	
59	4.1G Gov't Street and Area Lighting	-	-	
60	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)	13 Accounting Customer (\$)	
Expenses																	
1	Operating & Maintenance	13,293,544	3,799,748	6,963,415	-	85,414	876,679	243,876	37,805	66,917	163,667	168,686	51,803	50,582	22,673	575,122	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	14,315,837	-	14,315,837	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,621,605	775,155	1,431,187	-	22,032	179,718	54,706	7,022	12,429	31,642	35,055	17,568	26,369	13,911	14,812	-
Expense Credits																	
8	Sundry	(66,567)	(19,027)	(34,869)	-	(428)	(4,390)	(1,221)	(189)	(335)	(820)	(845)	(259)	(253)	(114)	(2,880)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(10,370)	(2,964)	(5,432)	-	(67)	(684)	(190)	(29)	(52)	(128)	(132)	(40)	(39)	(18)	(449)	-
12	Pole Attachments	(105,320)	-	-	-	-	(60,912)	(20,817)	-	-	(10,781)	(12,810)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(1,472)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,472)	-
16	Meter Test Revenues	(215)	-	-	-	-	-	-	-	-	-	-	-	(215)	-	-	-
17	Total Expense Credits	(183,944)	(21,991)	(40,301)	-	(494)	(65,985)	(22,228)	(219)	(387)	(11,729)	(13,787)	(300)	(508)	(131)	(4,801)	-
18	Subtotal Expenses	30,047,042	4,552,912	22,670,138	-	106,951	990,412	276,353	44,608	78,959	183,581	189,954	69,071	76,444	36,453	585,133	-
19	Disposal Gain / Loss	273,138	75,592	137,665	-	2,466	24,997	8,118	1,382	2,446	6,077	6,273	4,727	1,697	674	1,024	-
20	Subtotal Revenue Requirement Ex. Return	30,320,180	4,628,504	22,807,802	-	109,418	1,015,409	284,471	45,989	81,405	189,658	196,227	73,799	78,140	37,127	586,158	-
21	Return on Debt	2,892,749	759,645	1,531,003	-	24,860	252,073	81,619	13,871	24,553	60,986	62,954	46,996	17,045	6,796	10,349	-
22	Return on Equity	1,085,238	284,987	574,368	-	9,326	94,567	30,620	5,204	9,211	22,879	23,618	17,631	6,394	2,549	3,883	-
23	Total Revenue Requirement	34,298,167	5,673,135	24,913,173	-	143,604	1,362,050	396,710	65,064	115,169	273,524	282,798	138,426	101,580	46,472	600,389	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.1C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Expenses			
1	Operating & Maintenance	177,937	9,219	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.12
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(891)	(46)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(139)	(7)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(1,030)	(53)	
18	Subtotal Expenses	176,907	9,165	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	176,907	9,165	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	176,907	9,165	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Customer (\$)	13 Customer (\$)	14 Meters Customer (\$)	
Production																
1	Diesel	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
6	Substation Structures & Equipment	2,739,332	1,827,404	-	-	911,928	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	243,333	-	-	-	-	183,461	23,372	-	-	21,280	15,221	-	-	-	-
8	Poles	11,493,527	-	-	-	-	6,647,258	2,271,719	-	-	1,176,569	1,397,981	-	-	-	-
9	Primary Conductor & Equipment	2,952,695	-	-	-	-	2,619,040	333,655	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	1,128,800	-	-	-	-	-	-	407,497	721,303	-	-	-	-	-	-
12	Secondary Conductors & Equipment	971,404	-	-	-	-	-	-	-	-	566,328	405,075	-	-	-	-
13	Services	558,391	-	-	-	-	-	-	-	-	-	-	558,391	-	-	-
14	Meters	521,956	-	-	-	-	-	-	-	-	-	-	-	521,956	-	-
15	Street Lighting	244,392	-	-	-	-	-	-	-	-	-	-	-	-	244,392	-
16	Subtotal Distribution	20,853,830	1,827,404	-	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
17	Subttl Prod, Trans, & Dist	81,080,582	22,459,773	39,594,383	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
18	General	8,718,632	2,556,398	4,722,682	-	47,627	493,534	137,292	21,282	37,672	92,138	94,963	29,163	28,898	12,764	444,218
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	163,632	45,327	79,907	-	1,840	19,071	5,305	822	1,456	3,560	3,670	1,127	1,053	493	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Plant	89,962,845	25,061,497	44,396,971	-	961,396	9,962,365	2,771,342	429,602	760,430	1,859,876	1,916,910	588,681	551,908	257,649	444,218

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.2C
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.7
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch 2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Diesel	36,782,536	12,600,893	24,181,643	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	36,782,536	12,600,893	24,181,643	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	1,143,035	693,537	-	-	449,498	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	154,588	-	-	-	-	116,551	14,848	-	-	13,519	9,669	-	-	-	-	
8	Poles	7,326,313	-	-	-	-	4,237,159	1,448,060	-	-	749,980	891,114	-	-	-	-	
9	Primary Conductor & Equipment	222,450	-	-	-	-	197,313	25,137	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	704,180	-	-	-	-	-	-	254,209	449,971	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	609,075	-	-	-	-	-	-	-	-	355,091	253,984	-	-	-	-	
13	Services	888,870	-	-	-	-	-	-	-	-	-	-	888,870	-	-	-	
14	Meters	310,922	-	-	-	-	-	-	-	-	-	-	-	310,922	-	-	
15	Street Lighting	123,038	-	-	-	-	-	-	-	-	-	-	-	-	123,038	-	
16	Subtotal Distribution	11,482,471	693,537	-	-	449,498	4,551,023	1,488,045	254,209	449,971	1,118,589	1,154,768	888,870	310,922	123,038	-	
17	Subttl Prod, Trans, & Dist	48,265,007	13,294,429	24,181,643	-	449,498	4,551,023	1,488,045	254,209	449,971	1,118,589	1,154,768	888,870	310,922	123,038	-	
18	General	3,846,949	1,127,967	2,083,804	-	21,015	217,764	60,578	9,390	16,622	40,654	41,901	12,868	12,751	5,632	196,004	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	147,299	40,573	73,800	-	1,372	13,889	4,541	776	1,373	3,414	3,524	2,713	949	375	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	52,259,255	14,462,970	26,339,246	-	471,885	4,782,676	1,553,164	264,375	467,966	1,162,658	1,200,193	904,450	324,622	129,046	196,004	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		15 Accounting Customer (\$)
Production																	
1	Diesel	6,968,482	2,387,250	4,581,233	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	337,907	115,760	222,147	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	7,306,389	2,503,009	4,803,380	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	1,080,020	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	-	12,982	-	-
9	Meters	29,392	-	-	-	-	-	-	-	-	-	-	-	29,392	-	-	-
10	Subtotal Distribution	1,109,412	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
11	Subttl Prod, Trans, & Dist	8,415,802	2,600,080	4,803,380	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
12	Customer Accounting	451,809	-	-	-	-	-	-	-	-	-	-	-	-	-	451,809	-
Administrative & General:																	
Plant-Related:																	
13	Production	769,010	263,446	505,564	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	395,021	34,615	-	-	17,274	179,001	49,795	7,719	13,663	33,418	34,442	10,577	9,887	4,629	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn and General Plt	447,836	124,757	221,009	-	4,786	49,593	13,796	2,139	3,785	9,258	9,542	2,930	2,747	1,283	2,211	-
18	Property Insurance	63,792	22,262	39,437	-	854	439	122	19	34	82	85	26	26	11	395	-
Revenue Related:																	
19	Municipal Tax	177,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	9,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	2,369,092	694,644	1,283,283	-	12,942	134,107	37,306	5,783	10,236	25,036	25,804	7,924	7,852	3,468	120,706	-
22	Prod, Trans, and Distn Expense-Related	194,026	59,945	110,742	-	1,117	11,573	3,219	499	883	2,161	2,227	684	678	299	-	-
23	Subtotal Admin & General	4,425,933	1,199,668	2,160,035	-	36,972	374,712	104,238	16,159	28,602	69,955	72,100	22,142	21,190	9,691	123,313	-
24	Total Operating & Maintenance Expenses	13,293,544	3,799,748	6,963,415	-	85,414	876,679	243,876	37,805	66,917	163,667	168,686	51,803	50,582	22,673	575,122	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4C
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18	19	
		Municipal Tax	PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	177,937	-	Revenue-related
20	PUB Assessment	-	9,219	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>177,937</u>	<u>9,219</u>	
24	Total Operating & Maintenance Expenses	<u>177,937</u>	<u>9,219</u>	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		6 Substations Demand (\$)	11 Distribution								16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	7 Primary Lines Demand (\$)		8 Customer (\$)	9 Line Transformers Demand (\$)	10 Customer (\$)	12 Secondary Lines Demand (\$)	13 Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)			
Production																
1	Diesel	1,904,132	652,314	1,251,818	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	1,904,132	652,314	1,251,818	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
6	Substn Struct & Eqpt	45,833	25,740	-	-	20,093	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	3,936	-	-	-	-	2,967	378	-	-	344	246	-	-	-	-
8	Poles	232,509	-	-	-	-	134,471	45,956	-	-	23,801	28,280	-	-	-	-
9	Primary Conductor & Equipment	25,949	-	-	-	-	23,017	2,932	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	17,184	-	-	-	-	-	-	6,204	10,981	-	-	-	-	-	-
12	Secondary Conductors & Equipment	6,746	-	-	-	-	-	-	-	-	3,933	2,813	-	-	-	-
13	Services	16,310	-	-	-	-	-	-	-	-	-	-	16,310	-	-	-
14	Meters	24,969	-	-	-	-	-	-	-	-	-	-	-	24,969	-	-
15	Street Lighting	13,254	-	-	-	-	-	-	-	-	-	-	-	-	13,254	-
16	Subtotal Distribution	386,690	25,740	-	-	20,093	160,455	49,266	6,204	10,981	28,079	31,340	16,310	24,969	13,254	-
17	Subtotal Prod Tran & Dist	2,290,822	678,054	1,251,818	-	20,093	160,455	49,266	6,204	10,981	28,079	31,340	16,310	24,969	13,254	-
18	General	290,714	85,240	157,473	-	1,588	16,456	4,578	710	1,256	3,072	3,166	972	964	426	14,812
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	40,070	11,860	21,896	-	351	2,807	862	109	192	491	548	285	437	232	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Depreciation Expense	2,621,605	775,155	1,431,187	-	22,032	179,718	54,706	7,022	12,429	31,642	35,055	17,568	26,369	13,911	14,812

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)			
1	Average Net Book Value	52,259,255	14,462,970	26,339,246	-	471,885	4,782,676	1,553,164	264,375	467,966	1,162,658	1,200,193	904,450	324,622	129,046	196,004	-	
2	Cash Working Capital	228,011	63,103	114,920	-	2,059	20,867	6,777	1,153	2,042	5,073	5,237	3,946	1,416	563	855	-	
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	3,084,574	-	3,084,574	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	973,460	271,183	480,406	-	10,403	107,800	29,988	4,649	8,228	20,125	20,742	6,370	5,972	2,788	4,807	-	
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	3,654,270	1,011,335	1,841,793	-	32,997	334,432	108,606	18,487	32,723	81,300	83,924	63,244	22,699	9,024	13,706	-	
8	Total Rate Base	60,199,570	15,808,590	31,860,939	-	517,344	5,245,775	1,698,535	288,664	510,959	1,269,155	1,310,096	978,011	354,710	141,420	215,371	-	
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Rate Base Available for Equity Return	60,199,570	15,808,590	31,860,939	-	517,344	5,245,775	1,698,535	288,664	510,959	1,269,155	1,310,096	978,011	354,710	141,420	215,371	-	
11	Return on Debt	2,892,749	759,645	1,531,003	-	24,860	252,073	81,619	13,871	24,553	60,986	62,954	46,996	17,045	6,796	10,349	-	
12	Return on Equity	1,085,238	284,987	574,368	-	9,326	94,567	30,620	5,204	9,211	22,879	23,618	17,631	6,394	2,549	3,883	-	
13	Return on Rate Base	3,977,988	1,044,632	2,105,371	-	34,186	346,641	112,239	19,075	33,764	83,866	86,571	64,627	23,439	9,345	14,232	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.6C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Labrador Isolated
 Functional Classification of Rate Base (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Energy
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Substations Demand (CP kW)	Distribution										17 Specifically Assigned Customer
							7 Primary Lines Demand Customer (CP kW) (Rural Cust)		8 Line Transformers Demand Customer (CP kW) (Rural Cust)		9 Secondary Lines Demand Customer (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer	12 Street Lighting Customer (Rural Cust)	13 Accounting Customer (Rural Cust)	
Amounts																	
1	1.2 Domestic Diesel	-	4,715	22,197	4,715	4,562	4,562	2,070	4,330	2,070	4,330	2,070	2,070	2,070	-	2,070	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	738	4,466	738	714	714	416	677	416	677	416	781	781	-	416	-
5	2.2 GS 10-100 kW	-	2,023	12,284	2,023	1,957	1,957	139	1,857	139	1,857	139	665	665	-	139	-
6	2.3 GS 110-1,000 kVa	-	150	3,038	150	145	145	6	138	6	138	6	51	51	-	6	-
7	2.4 GS Over 1,000 kVa	-	93	2,607	93	90	90	1	86	1	86	1	8	8	-	1	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	80	319	80	77	77	83	74	83	74	83	-	-	83	83	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	7,799	44,912	7,799	7,545	7,545	2,715	7,162	2,715	7,162	2,715	3,575	3,575	83	2,715	-
Ratios																	
13	1.2 Domestic Diesel	-	0.6046	0.4942	0.6046	0.6046	0.6046	0.7624	0.6046	0.7624	0.6046	0.7624	0.5791	0.5791	-	0.7624	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0946	0.0994	0.0946	0.0946	0.0946	0.1531	0.0946	0.1531	0.0946	0.1531	0.2184	0.2184	-	0.1531	-
17	2.2 GS 10-100 kW	-	0.2593	0.2735	0.2593	0.2593	0.2593	0.0514	0.2593	0.0514	0.2593	0.0514	0.1861	0.1861	-	0.0514	-
18	2.3 GS 110-1,000 kVa	-	0.0193	0.0676	0.0193	0.0193	0.0193	0.0022	0.0193	0.0022	0.0193	0.0022	0.0141	0.0141	-	0.0022	-
19	2.4 GS Over 1,000 kVa	-	0.0120	0.0581	0.0120	0.0120	0.0120	0.0004	0.0120	0.0004	0.0120	0.0004	0.0024	0.0024	-	0.0004	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0103	0.0071	0.0103	0.0103	0.0103	0.0306	0.0103	0.0306	0.0103	0.0306	-	-	1.0000	0.0306	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1C

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18	19
		Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.2 Domestic Diesel	3,083,957	3,083,957
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	1,096,168	1,096,168
5	2.2 GS 10-100 kW	1,957,521	1,957,521
6	2.3 GS 110-1,000 kVa	178,644	178,644
7	2.4 GS Over 1,000 kVa	240,507	240,507
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	115,211	115,211
11	4.1G Gov't Street and Area Lighting	-	-
12	Total	6,672,008	6,672,008
Ratios			
13	1.2 Domestic Diesel	0.4622	0.4622
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1643	0.1643
17	2.2 GS 10-100 kW	0.2934	0.2934
18	2.3 GS 110-1,000 kVa	0.0268	0.0268
19	2.4 GS Over 1,000 kVa	0.0360	0.0360
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0173	0.0173
23	4.1G Gov't Street and Area Lighting	-	-
24	Total	1.0000	1.0000

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)			12 Street Lighting Customer (\$)
						13 Customer (\$)	14 Customer (\$)	15 Customer (\$)	16 Customer (\$)	17 Customer (\$)	18 Customer (\$)	19 Customer (\$)	20 Customer (\$)	21 Customer (\$)	22 Customer (\$)			
Allocated Revenue Requirement Excluding Return																		
1	1.2 Domestic Diesel	15,942,670	2,798,231	11,272,538	-	66,150	613,881	216,876	27,804	62,062	114,660	149,600	42,735	45,250	-	446,876	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	3,074,147	437,760	2,268,152	-	10,349	96,037	43,557	4,350	12,464	17,938	30,045	16,114	17,062	-	89,749	-	
5	2.2 GS 10-100 kW	7,933,153	1,200,374	6,238,112	-	28,377	263,340	14,610	11,927	4,181	49,187	10,078	13,732	14,540	-	30,104	-	
6	2.3 GS 110-1,000 kVa	1,667,599	89,137	1,542,596	-	2,107	19,555	629	886	180	3,652	434	1,043	1,104	-	1,295	-	
7	2.4 GS Over 1,000 kVa	1,403,416	55,463	1,324,163	-	1,311	12,168	105	551	30	2,273	72	174	184	-	216	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	299,194	47,540	162,241	-	1,124	10,429	8,696	472	2,488	1,948	5,998	-	-	37,127	17,917	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	30,320,180	4,628,504	22,807,802	-	109,418	1,015,409	284,471	45,989	81,405	189,658	196,227	73,799	78,140	37,127	586,158	-	
Allocated Return on Debt and Equity																		
13	1.2 Domestic Diesel	2,203,734	631,548	1,040,559	-	20,668	209,567	85,569	11,532	25,741	50,702	66,000	37,424	13,573	-	10,850	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	410,945	98,800	209,371	-	3,233	32,785	17,185	1,804	5,170	7,932	13,255	14,111	5,118	-	2,179	-	
17	2.2 GS 10-100 kW	1,001,279	270,919	575,835	-	8,866	89,899	5,764	4,947	1,734	21,750	4,446	12,026	4,362	-	731	-	
18	2.3 GS 110-1,000 kVa	173,620	20,118	142,396	-	658	6,676	248	367	75	1,615	191	913	331	-	31	-	
19	2.4 GS Over 1,000 kVa	140,845	12,518	122,232	-	410	4,154	41	229	12	1,005	32	152	55	-	5	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	47,564	10,729	14,976	-	351	3,560	3,431	196	1,032	861	2,646	-	-	9,345	435	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	3,977,988	1,044,632	2,105,371	-	34,186	346,641	112,239	19,075	33,764	83,866	86,571	64,627	23,439	9,345	14,232	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2C

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO

2015 Test Year Cost of Service for 2016 Revenue Deficiency

Labrador Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		18	19	
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	81,771	4,236	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	29,065	1,506	
5	2.2 GS 10-100 kW	51,903	2,689	
6	2.3 GS 110-1,000 kVa	4,737	245	
7	2.4 GS Over 1,000 kVa	6,377	330	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	3,055	158	
11	4.1G Gov't Street and Area Lighting	-	-	
12	Total	176,907	9,165	
Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2C
Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Transmission Energy (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Total Revenue Requirement																		
1	1.2 Domestic Diesel	18,146,404	3,429,779	12,313,097	-	-	86,818	823,448	302,445	39,336	87,803	165,363	215,601	80,160	58,823	-	457,726	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	3,485,093	536,560	2,477,524	-	-	13,582	128,822	60,742	6,154	17,634	25,870	43,301	30,226	22,180	-	91,928	-
5	2.2 GS 10-100 kW	8,934,432	1,471,292	6,813,947	-	-	37,243	353,239	20,374	16,874	5,915	70,937	14,524	25,758	18,902	-	30,834	-
6	2.3 GS 110-1,000 kVa	1,841,219	109,254	1,684,991	-	-	2,766	26,231	877	1,253	254	5,268	625	1,956	1,435	-	1,327	-
7	2.4 GS Over 1,000 kVa	1,544,261	67,981	1,446,395	-	-	1,721	16,321	146	780	42	3,278	104	326	239	-	221	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	346,758	58,269	177,218	-	-	1,475	13,990	12,127	668	3,520	2,809	8,644	-	-	46,472	18,353	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	34,298,167	5,673,135	24,913,173	-	-	143,604	1,362,050	396,710	65,064	115,169	273,524	282,798	138,426	101,580	46,472	600,389	-
Re-classification of Revenue-Related																		
13	1.2 Domestic Diesel	0	16,333	58,637	-	-	413	3,921	1,440	187	418	787	1,027	382	280	-	2,180	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	(0)	4,748	21,925	-	-	120	1,140	538	54	156	229	383	267	196	-	814	-
17	2.2 GS 10-100 kW	0	9,045	41,891	-	-	229	2,172	125	104	36	436	89	158	116	-	190	-
18	2.3 GS 110-1,000 kVa	(0)	296	4,572	-	-	8	71	2	3	1	14	2	5	4	-	4	-
19	2.4 GS Over 1,000 kVa	(0)	297	6,310	-	-	8	71	1	3	0	14	0	1	1	-	1	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	545	1,657	-	-	14	131	113	6	33	26	81	-	-	435	172	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	0	31,265	134,992	-	-	791	7,506	2,220	359	644	1,507	1,582	814	598	435	3,359	-
Total Allocated Revenue Requirement																		
25	1.2 Domestic Diesel	18,146,404	3,446,112	12,371,735	-	-	87,231	827,369	303,885	39,523	88,221	166,150	216,627	80,541	59,103	-	459,906	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	3,485,093	541,309	2,499,448	-	-	13,702	129,962	61,280	6,208	17,790	26,099	43,684	30,493	22,376	-	92,742	-
29	2.2 GS 10-100 kW	8,934,432	1,480,338	6,855,839	-	-	37,472	355,411	20,499	16,978	5,951	71,373	14,613	25,917	19,018	-	31,024	-
30	2.3 GS 110-1,000 kVa	1,841,219	109,551	1,689,563	-	-	2,773	26,302	879	1,256	255	5,282	627	1,961	1,439	-	1,330	-
31	2.4 GS Over 1,000 kVa	1,544,261	68,277	1,452,705	-	-	1,728	16,392	147	783	43	3,292	105	327	240	-	222	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	346,758	58,814	178,875	-	-	1,489	14,121	12,240	675	3,553	2,836	8,725	-	-	46,907	18,524	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	34,298,167	5,704,400	25,048,165	-	-	144,395	1,369,557	398,930	65,423	115,813	275,031	284,381	139,240	102,177	46,907	603,748	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2C
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19		Basis of Proration
			Revenue Related				
			Municipal Tax (\$)	PUB Assessment (\$)			
		Total Revenue Requirement					
1		1.2 Domestic Diesel	81,771	4,236			
2		1.2G Government Domestic Diesel	-	-			
3		1.23 Churches, Schools & Com Halls	-	-			
4		2.1 GS 0-10 kW	29,065	1,506			
5		2.2 GS 10-100 kW	51,903	2,689			
6		2.3 GS 110-1,000 kVa	4,737	245			
7		2.4 GS Over 1,000 kVa	6,377	330			
8		2.5 GS Diesel	-	-			
9		2.5G Gov't General Service Diesel	-	-			
10		4.1 Street and Area Lighting	3,055	158			
11		4.1G Gov't Street and Area Lighting	-	-			
12		Total	176,907	9,165			
		Re-classification of Revenue-Related					
13		1.2 Domestic Diesel	(81,771)	(4,236)	Re-classification to demand, energy and customer is based on rate class revenue requirements excluding revenue-related items.		
14		1.2G Government Domestic Diesel	-	-			
15		1.23 Churches, Schools & Com Halls	-	-			
16		2.1 GS 0-10 kW	(29,065)	(1,506)			
17		2.2 GS 10-100 kW	(51,903)	(2,689)			
18		2.3 GS 110-1,000 kVa	(4,737)	(245)			
19		2.4 GS Over 1,000 kVa	(6,377)	(330)			
20		2.5 GS Diesel	-	-			
21		2.5G Gov't General Service Diesel	-	-			
22		4.1 Street and Area Lighting	(3,055)	(158)			
23		4.1G Gov't Street and Area Lighting	-	-			
24		Total	(176,907)	(9,165)			
		Total Allocated Revenue Requirement					
25		1.2 Domestic Diesel	-	-			
26		1.2G Government Domestic Diesel	-	-			
27		1.23 Churches, Schools & Com Halls	-	-			
28		2.1 GS 0-10 kW	-	-			
29		2.2 GS 10-100 kW	-	-			
30		2.3 GS 110-1,000 kVa	-	-			
31		2.4 GS Over 1,000 kVa	-	-			
32		2.5 GS Diesel	-	-			
33		2.5G Gov't General Service Diesel	-	-			
34		4.1 Street and Area Lighting	-	-			
35		4.1G Gov't Street and Area Lighting	-	-			
36		Total	-	-			

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		5 Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				4 Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services	13 Meters	14 Street Lightin			
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
Expenses																		
1	Operating & Maintenance	1,553,095	637,476	-	-	6,320	372,974	109,499	17,130	30,321	68,595	73,269	16,100	22,670	6,616	115,819	-	
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Fuels-Diesel	585,108	-	585,108	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Power Purchases-Other	2,657,696	-	2,657,696	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Depreciation	435,508	228,343	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	-	
Expense Credits																		
8	Sundry	(7,777)	(3,192)	-	-	(32)	(1,868)	(548)	(86)	(152)	(343)	(367)	(81)	(114)	(33)	(580)	-	
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Suppliers' Discounts	(1,212)	(497)	-	-	(5)	(291)	(85)	(13)	(24)	(54)	(57)	(13)	(18)	(5)	(90)	-	
12	Pole Attachments	(69,837)	-	-	-	-	(40,390)	(13,803)	-	-	(7,149)	(8,494)	-	-	-	-	-	
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Application Fees	(412)	-	-	-	-	-	-	-	-	-	-	-	-	-	(412)	-	
16	Meter Test Revenues	(110)	-	-	-	-	-	-	-	-	-	-	-	(110)	-	-	-	
17	Total Expense Credits	(79,348)	(3,689)	-	-	(37)	(42,549)	(14,437)	(99)	(175)	(7,546)	(8,918)	(93)	(241)	(38)	(1,082)	-	
18	Subtotal Expenses	5,152,059	862,129	3,242,804	-	9,553	421,052	122,485	25,880	45,810	75,581	80,945	22,606	36,255	11,523	119,573	-	
19	Disposal Gain / Loss	70,800	33,389	-	-	504	18,097	5,551	1,098	1,943	2,939	3,369	2,093	1,135	314	368	-	
20	Subtotal Revenue Requirement Ex. Return	5,222,859	895,518	3,242,804	-	10,057	439,149	128,036	26,978	47,753	78,520	84,314	24,700	37,390	11,837	119,941	-	
21	Return on Debt	556,735	261,299	2,128	-	3,919	142,041	43,532	8,572	15,174	23,129	26,476	16,215	8,876	2,464	2,910	-	
22	Return on Equity	208,864	98,028	798	-	1,470	53,288	16,331	3,216	5,693	8,677	9,933	6,083	3,330	924	1,092	-	
23	Total Revenue Requirement	5,988,458	1,254,845	3,245,730	-	15,446	634,478	187,899	38,766	68,619	110,326	120,723	46,998	49,596	15,225	123,943	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.1D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		Municipal Tax (\$)	PUB Assessment (\$)	
	Expenses			
1	Operating & Maintenance	72,546	3,758	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.13
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(363)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(57)	(3)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(420)	(22)	
18	Subtotal Expenses	72,126	3,737	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	72,126	3,737	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	72,126	3,737	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$) Customer (\$)		8 Line Transformers Demand (\$) Customer (\$)		9 Secondary Lines Demand (\$) Customer (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Diesel	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	153,816	66,299	-	-	87,518	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	66,393	-	-	-	-	50,057	6,377	-	-	5,806	4,153	-	-	-	-	
8	Poles	7,062,374	-	-	-	-	4,084,510	1,395,892	-	-	722,961	859,011	-	-	-	-	
9	Primary Conductor & Equipment	1,278,301	-	-	-	-	1,133,853	144,448	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	670,272	-	-	-	-	-	-	241,968	428,304	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	411,959	-	-	-	-	-	-	-	-	240,172	171,787	-	-	-	-	
13	Services	227,423	-	-	-	-	-	-	-	-	-	-	227,423	-	-	-	
14	Meters	267,499	-	-	-	-	-	-	-	-	-	-	-	267,499	-	-	
15	Street Lighting	93,455	-	-	-	-	-	-	-	-	-	-	-	-	93,455	-	
16	Subtotal Distribution	10,231,494	66,299	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
17	Subttl Prod, Trans, & Dist	18,485,147	8,319,952	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
18	General	1,621,900	685,657	-	-	6,712	404,063	118,626	18,558	32,849	74,313	79,376	17,442	25,322	7,168	151,814	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	37,306	16,791	-	-	177	10,632	3,121	488	864	1,955	2,089	459	540	189	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	20,144,353	9,022,400	-	-	94,407	5,683,116	1,668,465	261,014	462,017	1,045,208	1,116,415	245,324	293,361	100,812	151,814	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.2D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.8
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		5 Transmission										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				4 Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	
Production																	
1	Diesel	4,695,369	4,695,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	4,695,369	4,695,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	85,750	13,428	-	-	72,322	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	19,937	-	-	-	-	15,032	1,915	-	-	1,744	1,247	-	-	-	-	
8	Poles	3,690,889	-	-	-	-	2,134,618	729,512	-	-	377,829	448,930	-	-	-	-	
9	Primary Conductor & Equipment	440,736	-	-	-	-	390,933	49,803	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	432,823	-	-	-	-	-	-	156,249	276,574	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	51,198	-	-	-	-	-	-	-	-	29,849	21,350	-	-	-	-	
13	Services	304,411	-	-	-	-	-	-	-	-	-	-	304,411	-	-	-	
14	Meters	159,346	-	-	-	-	-	-	-	-	-	-	-	159,346	-	-	
15	Street Lighting	43,987	-	-	-	-	-	-	-	-	-	-	-	-	43,987	-	
16	Subtotal Distribution	5,229,078	13,428	-	-	72,322	2,540,583	781,230	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
17	Subttl Prod, Trans, & Dist	9,924,446	4,708,797	-	-	72,322	2,540,583	781,230	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
18	General	585,888	247,684	-	-	2,425	145,962	42,852	6,704	11,866	26,845	28,673	6,301	9,147	2,589	54,841	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	30,288	14,371	-	-	221	7,754	2,384	477	844	1,250	1,439	929	486	134	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	10,540,623	4,970,851	-	-	74,967	2,694,298	826,466	163,430	289,284	437,515	501,639	311,641	168,979	46,711	54,841	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$) Customer (\$)		9 Line Transformers Demand (\$) Customer (\$)		11 Secondary Lines Demand (\$) Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)	
Production																
1	Diesel	360,321	360,321	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	44,529	44,529	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	404,850	404,850	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
8	Other	454,593	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	-	4,264	-
9	Meters	15,063	-	-	-	-	-	-	-	-	-	-	-	15,063	-	-
10	Subtotal Distribution	469,656	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-
11	Subttl Prod, Trans, & Dist	874,506	407,874	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-
12	Customer Accounting	90,309	-	-	-	-	-	-	-	-	-	-	-	-	-	90,309
Administrative & General:																
Plant-Related:																
13	Production	91,127	91,127	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	113,348	734	-	-	970	58,365	17,135	2,681	4,745	10,734	11,466	2,519	2,963	1,035	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod,Trans, Distn & General Plt	3,074	1,377	-	-	14	867	255	40	71	159	170	37	45	15	23
18	Property Insurance	14,284	12,826	-	-	134	575	169	26	47	106	113	25	36	10	216
Revenue Related:																
19	Municipal Tax	72,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	3,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	269,981	114,134	-	-	1,117	67,260	19,746	3,089	5,468	12,370	13,213	2,903	4,215	1,193	25,271
22	Prod, Trans, and Distn Expense-Related	20,162	9,404	-	-	92	5,542	1,627	255	451	1,019	1,089	239	347	98	-
23	Subtotal Admin & General	588,280	229,602	-	-	2,328	132,610	38,932	6,091	10,781	24,389	26,050	5,724	7,607	2,352	25,510
24	Total Operating & Maintenance Expenses	1,553,095	637,476	-	-	6,320	372,974	109,499	17,130	30,321	68,595	73,269	16,100	22,670	6,616	115,819

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
Production				
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	Subtotal Production	<u>-</u>	<u>-</u>	
Transmission				
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
Distribution				
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
Administrative & General:				
Plant-Related:				
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod., Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod,Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
Revenue Related:				
19	Municipal Tax	72,546	-	Revenue-related
20	PUB Assessment	-	3,758	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>72,546</u>	<u>3,758</u>	
24	Total Operating & Maintenance Expenses	<u>72,546</u>	<u>3,758</u>	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)			
Production																	
1	Diesel	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	3,432	429	-	-	3,003	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	505	-	-	-	-	381	48	-	-	44	32	-	-	-	-	
8	Poles	108,921	-	-	-	-	62,994	21,528	-	-	11,150	13,248	-	-	-	-	
9	Primary Conductor & Equipment	14,707	-	-	-	-	13,045	1,662	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	22,483	-	-	-	-	-	-	8,116	14,366	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	1,306	-	-	-	-	-	-	-	-	762	545	-	-	-	-	
13	Services	5,940	-	-	-	-	-	-	-	-	-	-	5,940	-	-	-	
14	Meters	12,796	-	-	-	-	-	-	-	-	-	-	-	12,796	-	-	
15	Street Lighting	4,636	-	-	-	-	-	-	-	-	-	-	-	-	4,636	-	
16	Subtotal Distribution	174,725	429	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
17	Subtotal Prod Tran & Dist	377,250	202,954	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
18	General	51,660	21,839	-	-	214	12,870	3,778	591	1,046	2,367	2,528	556	807	228	4,835	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	6,599	3,550	-	-	53	1,337	406	142	251	209	242	104	224	81	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	435,508	228,343	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.6D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lightin Customer (\$)			
							8 Customer (\$)	10 Customer (\$)	10 Demand (\$)	11 Customer (\$)	11 Demand (\$)	12 Customer (\$)						
1	Average Net Book Value	10,540,623	4,970,851	-	-	74,967	2,694,298	826,466	163,430	289,284	437,515	501,639	311,641	168,979	46,711	54,841	-	
2	Cash Working Capital	45,990	21,688	-	-	327	11,755	3,606	713	1,262	1,909	2,189	1,360	737	204	239	-	
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	44,283	-	44,283	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	217,976	97,629	-	-	1,022	61,495	18,054	2,824	4,999	11,310	12,080	2,655	3,174	1,091	1,643	-	
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	737,061	347,591	-	-	5,242	188,401	57,791	11,428	20,228	30,594	35,078	21,792	11,816	3,266	3,835	-	
8	Total Rate Base	11,585,932	5,437,759	44,283	-	81,558	2,955,950	905,917	178,395	315,774	481,328	550,986	337,447	184,707	51,271	60,557	-	
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Rate Base Available for Equity Return	11,585,932	5,437,759	44,283	-	81,558	2,955,950	905,917	178,395	315,774	481,328	550,986	337,447	184,707	51,271	60,557	-	
11	Return on Debt	556,735	261,299	2,128	-	3,919	142,041	43,532	8,572	15,174	23,129	26,476	16,215	8,876	2,464	2,910	-	
12	Return on Equity	208,864	98,028	798	-	1,470	53,288	16,331	3,216	5,693	8,677	9,933	6,083	3,330	924	1,092	-	
13	Return on Rate Base	765,598	359,327	2,926	-	5,389	195,329	59,863	11,788	20,866	31,806	36,409	22,298	12,205	3,388	4,002	-	

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Functional Classification of Rate Base (CONT'D.)

Line No.	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production and			6-15 Distribution											16 Accounting Customer	17 Specifically Assigned Customer
			4 Transmission Demand (CP kW)	5 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		8 Line Transformers Demand (CP kW) (Rural Cust)		11 Secondary Lines Demand (CP kW) (Rural Cust)		12 Services Customer (Wtd Rural Cust)	13 Meters Customer	14 Street Lighting Customer			
Amounts																		
1	1.1 Domestic Diesel	-	1,199	4,441	1,199	1,141	1,141	407	1,053	407	1,053	407	407	407	-	407	-	
2	1.12 Domestic All Electric	-	2,844	11,369	2,844	2,704	2,704	386	2,497	386	2,497	386	386	386	-	386	-	
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.2 GS 10-100 kW	-	1,411	6,942	1,411	1,341	1,341	209	1,239	209	1,239	209	997	997	-	209	-	
5	2.3 GS 110-1,000 kVa	-	246	2,055	246	234	234	5	216	5	216	5	42	42	-	5	-	
6	4.1 Street and Area Lighting	-	36	146	36	35	35	33	32	33	32	33	-	-	1	33	-	
7	Total	-	5,736	24,953	5,736	5,455	5,455	1,040	5,037	1,040	5,037	1,040	1,832	1,832	1	1,040	0	
Ratios																		
8	1.1 Domestic Diesel	-	0.2091	0.1780	0.2091	0.2091	0.2091	0.3915	0.2091	0.3915	0.2091	0.3915	0.2222	0.2222	-	0.3915	-	
9	1.12 Domestic All Electric	-	0.4958	0.4556	0.4958	0.4958	0.4958	0.3713	0.4958	0.3713	0.4958	0.3713	0.2107	0.2107	-	0.3713	-	
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	2.2 GS 10-100 kW	-	0.2459	0.2782	0.2459	0.2459	0.2459	0.2011	0.2459	0.2011	0.2459	0.2011	0.5442	0.5442	-	0.2011	-	
12	2.3 GS 110-1,000 kVa	-	0.0428	0.0824	0.0428	0.0428	0.0428	0.0048	0.0428	0.0048	0.0428	0.0048	0.0230	0.0230	-	0.0048	-	
13	4.1 Street and Area Lighting	-	0.0064	0.0059	0.0064	0.0064	0.0064	0.0313	0.0064	0.0313	0.0064	0.0313	-	-	1.0000	0.0313	-	
14	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	Revenue Related	
		18 Municipal Tax (Prior Year (Rural Revenues)	19 PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.1 Domestic Diesel	570,211	570,211
2	1.12 Domestic All Electric	1,122,691	1,122,691
3	2.1 GS 0-10 kW	-	-
4	2.2 GS 10-100 kW	709,945	709,945
5	2.3 GS 110-1,000 kVa	272,034	272,034
6	4.1 Street and Area Lighting	45,335	45,335
7	Total	2,720,217	2,720,217
Ratios			
8	1.1 Domestic Diesel	0.2096	0.2096
9	1.12 Domestic All Electric	0.4127	0.4127
10	2.1 GS 0-10 kW	-	-
11	2.2 GS 10-100 kW	0.2610	0.2610
12	2.3 GS 110-1,000 kVa	0.1000	0.1000
13	4.1 Street and Area Lighting	0.0167	0.0167
14	Total	1.0000	1.0000

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2D
Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Customer (\$)	12 Customer (\$)	13 Customer (\$)	
Allocated Revenue Requirement Excluding Return																	
1	1.1 Domestic Diesel	1,058,834	187,256	577,091	-	2,103	91,828	50,131	5,641	18,697	16,419	33,012	5,487	8,306	-	46,961	-
2	1.12 Domestic All Electric	2,381,951	443,981	1,477,443	-	4,986	217,722	47,544	13,375	17,732	38,929	31,309	5,204	7,878	-	44,538	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,388,808	220,228	902,168	-	2,473	107,997	25,743	6,634	9,601	19,310	16,952	13,441	20,347	-	24,115	-
5	2.3 GS 110-1,000 kVa	340,070	38,364	267,102	-	431	18,813	616	1,156	230	3,364	406	568	859	-	577	-
6	4.1 Street and Area Lighting	53,195	5,689	18,999	-	64	2,790	4,003	171	1,493	499	2,636	-	-	11,837	3,750	-
7	Total	5,222,859	895,518	3,242,804	-	10,057	439,149	128,036	26,978	47,753	78,520	84,314	24,700	37,390	11,837	119,941	-
Allocated Return on Debt and Equity																	
8	1.1 Domestic Diesel	181,840	75,137	521	-	1,127	40,844	23,438	2,465	8,170	6,651	14,255	4,954	2,712	-	1,567	-
9	1.12 Domestic All Electric	352,860	178,148	1,333	-	2,672	96,841	22,229	5,844	7,748	15,769	13,520	4,698	2,572	-	1,486	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	192,395	88,367	814	-	1,325	48,036	12,036	2,899	4,195	7,822	7,320	12,134	6,642	-	805	-
12	2.3 GS 110-1,000 kVa	27,476	15,393	241	-	231	8,368	288	505	100	1,363	175	512	280	-	19	-
13	4.1 Street and Area Lighting	11,028	2,283	17	-	34	1,241	1,872	75	652	202	1,138	-	-	3,388	125	-
14	Total	765,598	359,327	2,926	-	5,389	195,329	59,863	11,788	20,866	31,806	36,409	22,298	12,205	3,388	4,002	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.1 Domestic Diesel	15,119	783	
2	1.12 Domestic All Electric	29,768	1,542	
3	2.1 GS 0-10 kW	-	-	
4	2.2 GS 10-100 kW	18,824	975	
5	2.3 GS 110-1,000 kVa	7,213	374	
6	4.1 Street and Area Lighting	1,202	62	
7	Total	72,126	3,737	
Allocated Return on Debt and Equity				
8	1.1 Domestic Diesel	-	-	
9	1.12 Domestic All Electric	-	-	
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	-	-	
12	2.3 GS 110-1,000 kVa	-	-	
13	4.1 Street and Area Lighting	-	-	
14	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Demand (\$)	12 Customer (\$)	13 Services Customer (\$)	
Total Revenue Requirement																	
1	1.1 Domestic Diesel	1,240,674	262,393	577,612	-	3,230	132,672	73,569	8,106	26,867	23,070	47,267	10,441	11,018	-	48,528	-
2	1.12 Domestic All Electric	2,734,811	622,129	1,478,777	-	7,658	314,562	69,773	19,220	25,481	54,698	44,828	9,902	10,449	-	46,024	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,581,203	308,595	902,982	-	3,799	156,032	37,779	9,533	13,796	27,132	24,272	25,575	26,989	-	24,920	-
5	2.3 GS 110-1,000 kVa	367,547	53,757	267,343	-	662	27,181	904	1,661	330	4,726	581	1,080	1,140	-	596	-
6	4.1 Street and Area Lighting	64,223	7,972	19,016	-	98	4,031	5,875	246	2,145	701	3,774	-	-	15,225	3,875	-
7	Total	5,988,458	1,254,845	3,245,730	-	15,446	634,478	187,899	38,766	68,619	110,326	120,723	46,998	49,596	15,225	123,943	-
Re-classification of Revenue-Related																	
8	1.1 Domestic Diesel	0	3,407	7,500	-	42	1,723	955	105	349	300	614	136	143	-	630	-
9	1.12 Domestic All Electric	(0)	7,205	17,126	-	89	3,643	808	223	295	633	519	115	121	-	533	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	-	3,913	11,450	-	48	1,979	479	121	175	344	308	324	342	-	316	-
12	2.3 GS 110-1,000 kVa	(0)	1,133	5,635	-	14	573	19	35	7	100	12	23	24	-	13	-
13	4.1 Street and Area Lighting	(0)	160	382	-	2	81	118	5	43	14	76	-	-	306	78	-
14	Total	(0)	15,818	42,093	-	195	7,998	2,379	489	869	1,391	1,529	597	630	306	1,569	-
Total Allocated Revenue Requirement																	
15	1.1 Domestic Diesel	1,240,674	265,799	585,112	-	3,272	134,394	74,524	8,211	27,216	23,369	47,881	10,576	11,161	-	49,158	-
16	1.12 Domestic All Electric	2,734,811	629,334	1,495,903	-	7,747	318,206	70,581	19,442	25,776	55,331	45,348	10,017	10,570	-	46,557	-
17	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	2.2 GS 10-100 kW	1,581,203	312,508	914,432	-	3,847	158,011	38,258	9,654	13,971	27,476	24,580	25,899	27,331	-	25,236	-
19	2.3 GS 110-1,000 kVa	367,547	54,890	272,978	-	676	27,754	923	1,696	337	4,826	593	1,103	1,164	-	609	-
20	4.1 Street and Area Lighting	64,223	8,132	19,398	-	100	4,112	5,993	251	2,188	715	3,850	-	-	15,530	3,953	-
21	Total	5,988,458	1,270,663	3,287,823	-	15,641	642,476	190,279	39,255	69,488	111,717	122,252	47,595	50,226	15,530	125,512	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	Basis of Proration
			Revenue Related			
			Municipal	PUB		
			Tax	Assessment		
			(\$)	(\$)		
		Total Revenue Requirement				
1		1.1 Domestic Diesel	15,119	783		
2		1.12 Domestic All Electric	29,768	1,542		
3		2.1 GS 0-10 kW	-	-		
4		2.2 GS 10-100 kW	18,824	975		
5		2.3 GS 110-1,000 kVa	7,213	374		
6		4.1 Street and Area Lighting	1,202	62		
7		Total	72,126	3,737		
		Re-classification of Revenue-Related				
8		1.1 Domestic Diesel	(15,119)	(783)		Re-classification to demand, energy and customer is based on rate class revenue
9		1.12 Domestic All Electric	(29,768)	(1,542)		requirements excluding revenue-related items.
10		2.1 GS 0-10 kW	-	-		
11		2.2 GS 10-100 kW	(18,824)	(975)		
12		2.3 GS 110-1,000 kVa	(7,213)	(374)		
13		4.1 Street and Area Lighting	(1,202)	(62)		
14		Total	(72,126)	(3,737)		
		Total Allocated Revenue Requirement				
15		1.1 Domestic Diesel	-	-		
16		1.12 Domestic All Electric	-	-		
17		2.1 GS 0-10 kW	-	-		
18		2.2 GS 10-100 kW	-	-		
19		2.3 GS 110-1,000 kVa	-	-		
20		4.1 Street and Area Lighting	-	-		
21		Total	-	-		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
Expenses																	
1	Operating & Maintenance	11,386,683	929,391	-	4,358,963	731,647	1,406,185	370,108	303,926	537,973	194,820	215,515	94,319	196,626	42,076	1,500,513	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	74,521	74,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	199,303	199,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	1,856,851	542,700	1,314,151	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	3,487,229	381,913	-	685,269	677,730	510,461	147,314	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-
Expense Credits																	
8	Sundry	(57,018)	(4,654)	-	(21,827)	(3,664)	(7,041)	(1,853)	(1,522)	(2,694)	(976)	(1,079)	(472)	(985)	(211)	(7,514)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(8,883)	(725)	-	(3,400)	(571)	(1,097)	(289)	(237)	(420)	(152)	(168)	(74)	(153)	(33)	(1,171)	-
12	Pole Attachments	(255,733)	-	-	-	-	(147,903)	(50,546)	-	-	(26,179)	(31,105)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(13,016)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,016)	-
16	Meter Test Revenues	(943)	-	-	-	-	-	-	-	-	-	-	-	(943)	-	-	-
17	Total Expense Credits	(335,593)	(5,379)	-	(25,228)	(4,234)	(156,041)	(52,688)	(1,759)	(3,114)	(27,306)	(32,353)	(546)	(2,081)	(244)	(21,700)	-
18	Subtotal Expenses	16,668,993	2,122,449	1,314,151	5,019,004	1,405,143	1,760,605	464,733	518,023	916,944	254,819	278,502	144,138	315,660	87,282	1,565,840	-
19	Disposal Gain / Loss	41,737	3,617	-	7,297	8,159	8,190	2,377	2,260	4,000	1,491	1,596	1,134	742	213	662	-
20	Subtotal Revenue Requirement Ex. Return	16,710,730	2,126,065	1,314,151	5,026,301	1,413,302	1,768,795	467,111	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-
21	Return on Debt	4,501,586	408,728	-	787,445	872,173	881,092	255,365	242,185	428,687	159,779	171,065	120,938	79,755	23,013	71,360	-
22	Return on Equity	1,688,806	153,338	-	295,416	327,203	330,549	95,802	90,858	160,826	59,943	64,177	45,371	29,921	8,633	26,771	-
23	Total Revenue Requirement	22,901,123	2,688,131	1,314,151	6,109,162	2,612,678	2,980,435	818,278	853,325	1,510,456	476,032	515,340	311,581	426,077	119,142	1,664,633	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
	Expenses			
1	Operating & Maintenance	480,471	24,151	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	
3	Fuels-Diesel	-	-	Production - Demand
4	Fuels-Gas Turbine	-	-	Production - Demand
5	Power Purchases -CF(L)Co	-	-	Carryforward from Sch.4.4 L.9
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.10
7	Depreciation	-	-	Carryforward from Sch.2.5 L.24
	Expense Credits			
8	Sundry	(2,406)	(121)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.18
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(375)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(2,781)	(140)	
18	Subtotal Expenses	477,690	24,011	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.24
20	Subtotal Revenue Requirement Ex. Return	477,690	24,011	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	477,690	24,011	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Gas Turbines	23,666,030	23,666,030	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	3,323,334	3,323,334	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	26,989,364	26,989,364	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Lines	17,100,852	-	-	17,100,852	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,092,147	-	-	6,420,032	11,672,115	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	35,192,999	-	-	23,520,884	11,672,115	-	-	-	-	-	-	-	-	-	-	
Distribution																	
7	Substations	5,667,946	-	-	-	5,667,946	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	1,083,634	-	-	-	-	817,006	104,083	-	-	94,764	67,781	-	-	-	-	
9	Poles	30,428,760	-	-	-	-	17,598,412	6,014,305	-	-	3,114,931	3,701,111	-	-	-	-	
10	Primary Conductor & Eqpt	9,200,174	-	-	-	-	8,160,554	1,039,620	-	-	-	-	-	-	-	-	
11	Submarine Conductor	620,108	-	-	-	-	620,108	-	-	-	-	-	-	-	-	-	
12	Transformers	16,282,605	-	-	-	-	-	-	5,878,020	10,404,585	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	957,432	-	-	-	-	-	-	-	-	558,183	399,249	-	-	-	-	
14	Services	1,824,154	-	-	-	-	-	-	-	-	-	-	1,824,154	-	-	-	
15	Meters	2,288,365	-	-	-	-	-	-	-	-	-	-	-	2,288,365	-	-	
16	Street Lighting	813,762	-	-	-	-	-	-	-	-	-	-	-	-	813,762	-	
17	Subtotal Distribution	69,166,939	-	-	-	5,667,946	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
18	Subtl Prod, Trans, & Dist	131,349,302	26,989,364	-	23,520,884	17,340,061	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
19	General	16,334,186	1,039,489	-	7,136,203	899,853	1,912,135	503,274	413,279	731,538	264,917	293,059	128,255	297,178	57,215	2,657,793	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	265,081	54,468	-	47,468	34,995	54,885	14,446	11,863	20,998	7,604	8,412	3,681	4,618	1,642	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Plant	147,948,569	28,083,321	-	30,704,555	18,274,908	29,163,100	7,675,728	6,303,162	11,157,121	4,040,398	4,469,612	1,956,091	2,590,160	872,619	2,657,793	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.2E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service for 2016 Revenue Deficiency
 Labrador Interconnected
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1 Description	18 Basis of Functional Classification
	Production	
1	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.9
2	Diesel	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	
	Transmission	
4	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
5	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
6	Subtotal Transmission	
	Distribution	
7	Substations	Production - Demand; Dist Subsns - Demand
8	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
9	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
10	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
11	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
12	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
13	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
14	Services	Services Customer
15	Meters	Meters - Customer
16	Street Lighting	Street Lighting - Customer
17	Subtotal Distribution	
18	Subttl Prod, Trans, & Dist	
19	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
20	Telecontrol - Specific	Specifically Assigned - Customer
21	Feasibility Studies	Production, Transmission - Demand
22	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.18
23	Software - Cust Acctng	
24	Total Plant	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)			12 Street Lighting Customer (\$)
						6 Demand (\$)	7 Customer (\$)	8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)			
Production																		
1	Gas Turbines	6,276,550	6,276,550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	580,257	580,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	6,856,807	6,856,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
4	Lines	7,907,366	-	-	7,907,366	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,265,060	-	-	3,363,187	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	26,172,426	-	-	11,270,553	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
Distribution																		
7	Substations	1,300,884	-	-	-	1,300,884	-	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	482,081	-	-	-	-	363,465	46,304	-	-	42,158	30,154	-	-	-	-	-	
9	Poles	21,235,511	-	-	-	-	12,281,515	4,197,241	-	-	2,173,837	2,582,918	-	-	-	-	-	
10	Primary Conductor & Eqpt	3,143,393	-	-	-	-	2,788,189	355,203	-	-	-	-	-	-	-	-	-	
11	Submarine Conductor	317,759	-	-	-	-	317,759	-	-	-	-	-	-	-	-	-	-	
12	Transformers	12,198,757	-	-	-	-	-	-	4,403,751	7,795,006	-	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	1,191,190	-	-	-	-	-	-	-	-	694,464	496,726	-	-	-	-	-	
14	Services	2,250,759	-	-	-	-	-	-	-	-	-	-	2,250,759	-	-	-	-	
15	Meters	1,363,148	-	-	-	-	-	-	-	-	-	-	-	1,363,148	-	-	-	
16	Street Lighting	406,579	-	-	-	-	-	-	-	-	-	-	-	-	406,579	-	-	
17	Subtotal Distribution	43,890,061	-	-	-	1,300,884	15,750,928	4,598,748	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
18	Subttl Prod, Trans, & Dist	76,919,294	6,856,807	-	11,270,553	16,202,757	15,750,928	4,598,748	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
19	General	8,331,016	530,176	-	3,639,717	458,957	975,257	256,688	210,787	373,110	135,117	149,470	65,415	151,571	29,182	1,355,569	-	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	234,749	20,926	-	34,396	49,449	48,070	14,035	13,440	23,789	8,882	9,491	6,869	4,160	1,241	-	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Net Book Value	85,485,059	7,407,910	-	14,944,667	16,711,163	16,774,255	4,869,471	4,627,978	8,191,906	3,054,458	3,268,759	2,323,043	1,518,879	437,002	1,355,569	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
Production																	
1	Gas Turbine / Diesel	390,996	390,996	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	59,743	59,743	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	450,738	450,738	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	2,894,754	-	-	2,894,754	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	252,281	-	-	89,522	162,758	-	-	-	-	-	-	-	-	-	-	
6	Other	164,722	-	-	110,091	54,632	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	3,311,757	-	-	3,094,366	217,390	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	2,038,937	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	-	24,809	-	
9	Meters	128,861	-	-	-	-	-	-	-	-	-	-	-	128,861	-	-	
10	Subtotal Distribution	2,167,798	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	
11	Subttl Prod, Trans, & Dist	5,930,293	450,738	-	3,094,366	390,190	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	
12	Customer Accounting	1,152,459	-	-	-	-	-	-	-	-	-	-	-	-	-	1,152,459	
Administrative & General:																	
Plant-Related:																	
13	Production	179,997	179,997	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Transmission	228,756	-	-	152,886	75,869	-	-	-	-	-	-	-	-	-	-	
15	Distribution	500,419	-	-	-	41,007	196,762	51,788	42,527	75,277	27,260	30,156	13,198	16,556	5,888	-	
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Prod, Trans, Distn & General Plt	601,388	114,154	-	124,809	74,285	118,543	31,201	25,621	45,352	16,424	18,168	7,951	10,529	3,547	10,804	
18	Property Insurance	104,909	43,833	-	21,200	28,524	2,990	787	646	1,144	414	458	201	465	89	4,156	
Revenue-Related:																	
19	Municipal Tax	480,471	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	PUB Assessment	24,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	All Expense-Related	2,047,118	130,276	-	894,360	112,776	239,643	63,074	51,795	91,682	33,201	36,728	16,074	37,244	7,171	333,094	
22	Prod,Trans & Distn Expense-Related	136,723	10,392	-	71,341	8,996	19,116	5,031	4,132	7,313	2,648	2,930	1,282	2,971	572	-	
23	Subtotal Admin & General	4,303,931	478,652	-	1,264,597	341,457	577,054	151,881	124,721	220,767	79,948	88,441	38,705	67,765	17,267	348,054	
24	Total Operating & Maintenance Expenses	11,386,683	929,391	-	4,358,963	731,647	1,406,185	370,108	303,926	537,973	194,820	215,515	94,319	196,626	42,076	1,500,513	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.4E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Production			
1	Gas Turbine / Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.6
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 17, less L. 15
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.3
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L. 6
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.17
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18
17	Prod, Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 20
	Revenue-Related:			
19	Municipal Tax	480,471	-	Revenue-related
20	PUB Assessment	-	24,151	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 11, 12
22	Prod,Trans & Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>480,471</u>	<u>24,151</u>	
24	Total Operating & Maintenance Expenses	<u>480,471</u>	<u>24,151</u>	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO																	
2015 Test Year Cost of Service for 2016 Revenue Deficiency																	
Labrador Interconnected																	
Functional Classification of Depreciation Expense																	
1	2	3	4	5	Distribution										16	17	
					6	7		9		11		12	13	14			15
Line No.	Description	Total Amount (\$)	Production Demand (\$)	Production Energy (\$)	Transmission Demand (\$)	Substations Demand (\$)	Primary Lines Demand (\$)	Customer (\$)	Line Transformers Demand (\$)	Customer (\$)	Secondary Lines Demand (\$)	Customer (\$)	Services Customer (\$)	Meters Customer (\$)	Street Lighting Customer (\$)	Accounting Customer (\$)	Specifically Assigned Customer (\$)
Production																	
1	Gas Turbines	320,518	320,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	21,377	21,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	341,896	341,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Lines	318,196	-	-	318,196	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	693,857	-	-	125,641	568,216	-	-	-	-	-	-	-	-	-	-	-
6	Subtotal Transmission	1,012,053	-	-	443,837	568,216	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
7	Substations	68,905	-	-	-	68,905	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	14,988	-	-	-	-	11,300	1,440	-	-	1,311	937	-	-	-	-	-
9	Poles	598,894	-	-	-	-	346,369	118,373	-	-	61,308	72,845	-	-	-	-	-
10	Primary Conductor & Eqpt	77,637	-	-	-	-	68,864	8,773	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	13,618	-	-	-	-	13,618	-	-	-	-	-	-	-	-	-	-
12	Transformers	550,820	-	-	-	-	-	-	198,846	351,974	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	25,148	-	-	-	-	-	-	-	-	14,661	10,487	-	-	-	-	-
14	Services	45,372	-	-	-	-	-	-	-	-	-	-	45,372	-	-	-	-
15	Meters	109,470	-	-	-	-	-	-	-	-	-	-	-	109,470	-	-	-
16	Street Lighting	42,827	-	-	-	-	-	-	-	-	-	-	-	-	42,827	-	-
17	Subtotal Distribution	1,547,678	-	-	-	68,905	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
18	Subtl Prod, Trans, & Dist	2,901,627	341,896	-	443,837	637,121	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
19	General	534,848	34,037	-	233,669	29,465	62,611	16,479	13,532	23,954	8,674	9,596	4,200	9,731	1,873	87,027	-
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	50,753	5,980	-	7,763	11,144	7,699	2,249	3,478	6,156	1,352	1,474	794	1,915	749	-	-
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Depreciation Expense	3,487,229	381,913	-	685,269	677,730	510,461	147,314	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
1	Average Net Book Value	85,485,059	7,407,910	-	14,944,667	16,711,163	16,774,255	4,869,471	4,627,978	8,191,906	3,054,458	3,268,759	2,323,043	1,518,879	437,002	1,355,569	-
2	Cash Working Capital	372,978	32,321	-	65,205	72,912	73,187	21,246	20,192	35,742	13,327	14,262	10,136	6,627	1,907	5,914	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	37,715	37,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	206,011	206,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	1,600,905	303,881	-	332,244	197,747	315,565	83,057	68,205	120,728	43,720	48,364	21,166	28,027	9,442	28,759	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	5,977,611	518,004	-	1,045,018	1,168,541	1,172,953	340,502	323,615	572,826	213,585	228,571	162,441	106,209	30,558	94,789	-
8	Total Rate Base	93,680,279	8,505,841	-	16,387,134	18,150,363	18,335,961	5,314,275	5,039,990	8,921,201	3,325,090	3,559,956	2,516,785	1,659,742	478,908	1,485,032	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	93,680,279	8,505,841	-	16,387,134	18,150,363	18,335,961	5,314,275	5,039,990	8,921,201	3,325,090	3,559,956	2,516,785	1,659,742	478,908	1,485,032	-
11	Return on Debt	4,501,586	408,728	-	787,445	872,173	881,092	255,365	242,185	428,687	159,779	171,065	120,938	79,755	23,013	71,360	-
12	Return on Equity	1,688,806	153,338	-	295,416	327,203	330,549	95,802	90,858	160,826	59,943	64,177	45,371	29,921	8,633	26,771	-
13	Return on Rate Base	6,190,393	562,066	-	1,082,862	1,199,376	1,211,640	351,167	333,043	589,513	219,722	235,242	166,309	109,676	31,646	98,131	-

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 2.6E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 24
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Demand
5	Fuel Inventory - Gas Turbine	Production - Demand
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 24
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand	4 Production Energy	5 Transmission Demand	6-15 Distribution										16 Accounting Customer	17 Specifically Assigned Customer	
						6 Substations Demand		7 Primary Lines Demand		8 Line Transformers Demand		9 Secondary Lines Demand		10 Services Customer	11 Meters Customer			12 Street Lighting Customer
						(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)			(Rural Cust)
Amounts			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wld Rural Cust)		(Rural Cust)			
1	CFB - Goose Bay Secondary	-	-	10,973	-	-	-	-	-	-	-	-	-	-	-	-		
2	IOCC Firm	-	273,606	1,925,673	243,000	-	-	1	-	-	-	-	-	-	-	-		
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																		
4	1.1Domestic	-	662	2,462	588	569	569	360	540	360	540	360	360	360	-	360		
5	1.1A Domestic All Electric	-	83,785	356,271	74,412	72,008	72,008	9,442	68,372	9,442	68,372	9,442	9,442	9,442	-	9,442		
6	2.1GS 0-10 kW	-	1,355	7,536	1,203	1,164	1,164	515	1,105	515	1,105	515	967	967	-	515		
7	2.2GS 10-100 kW	-	17,297	84,020	15,362	14,866	14,866	728	14,032	728	14,032	728	3,470	3,470	-	728		
8	2.3GS 110-1,000 kVa	-	27,494	129,670	24,418	23,629	23,629	164	22,029	164	22,029	164	1,383	1,383	-	164		
9	2.4GS Over 1,000 kVa	-	27,058	158,274	24,031	23,255	23,255	6	15,536	6	15,536	6	51	51	-	6		
10	4.1Street and Area Lighting	-	521	2,021	463	448	448	385	425	385	425	385	-	-	1	385		
11	Subtotal Rural		158,171	740,254	140,477	135,938	135,938	11,600	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
12	Total Labrador Interconnected		431,777	2,676,900	383,477	135,938	135,938	11,601	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
Ratios																		
13	CFB - Goose Bay Boiler	-	-	0.0041	-	-	-	-	-	-	-	-	-	-	-	-		
14	IOCC Firm	-	0.6337	0.7194	0.6337	-	-	0.0001	-	-	-	-	-	-	-	-		
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios																		
16	1.1Domestic	-	0.0015	0.0009	0.0015	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
17	1.1A Domestic All Electric	-	0.1940	0.1331	0.1940	0.5297	0.5297	0.8139	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
18	2.1GS 0-10 kW	-	0.0031	0.0028	0.0031	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
19	2.2GS 10-100 kW	-	0.0401	0.0314	0.0401	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
20	2.3GS 110-1,000 kVa	-	0.0637	0.0484	0.0637	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
21	2.4GS Over 1,000 kVa	-	0.0627	0.0591	0.0627	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
22	4.1Street and Area Lighting	-	0.0012	0.0008	0.0012	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
23	Subtotal Rural		0.3663	0.2765	0.3663	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
24	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Ratios Excluding IOCC																		
25	CFB - Goose Bay Boiler	-	-	0.0146	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios Excluding IOCC																		
26	1.1Domestic	-	0.0042	0.0033	0.0042	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
27	1.1A Domestic All Electric	-	0.5297	0.4743	0.5297	0.5297	0.5297	0.8140	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
28	2.1GS 0-10 kW	-	0.0086	0.0100	0.0086	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
29	2.2GS 10-100 kW	-	0.1094	0.1118	0.1094	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
30	2.3GS 110-1,000 kVa	-	0.1738	0.1726	0.1738	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
31	2.4GS Over 1,000 kVa	-	0.1711	0.2107	0.1711	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
32	4.1Street and Area Lighting	-	0.0033	0.0027	0.0033	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
33	Subtotal Rural		1.0000	0.9854	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
34	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.1E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		Revenue Related	
		18 Municipal Tax (Prior Year) (Rural Revenues)	19 PUB Assessment (Prior Year) (Revenues + RSP)
1	CFB - Goose Bay Secondary	-	333,112
2	IOCC Firm	-	-
3	IOCC Non-Firm	-	-
	Rural		
4	1.1Domestic	102,994	102,994
5	1.1A Domestic All Electric	10,056,863	10,056,863
6	2.1GS 0-10 kW	398,087	398,087
7	2.2GS 10-100 kW	2,191,392	2,191,392
8	2.3GS 110-1,000 kVa	2,999,815	2,999,815
9	2.4GS Over 1,000 kVa	1,974,167	1,104,411
10	4.1Street and Area Lighting	292,637	292,637
11	Subtotal Rural	18,015,954	17,146,198
12	Total Labrador Interconnected	18,015,954	17,479,310
	Ratios		
13	CFB - Goose Bay Boiler	-	0.0191
14	IOCC Firm	-	-
15	IOCC Non-Firm	-	-
	Rural		
16	1.1Domestic	0.0057	0.0059
17	1.1A Domestic All Electric	0.5582	0.5754
18	2.1GS 0-10 kW	0.0221	0.0228
19	2.2GS 10-100 kW	0.1216	0.1254
20	2.3GS 110-1,000 kVa	0.1665	0.1716
21	2.4GS Over 1,000 kVa	0.1096	0.0632
22	4.1Street and Area Lighting	0.0162	0.0167
23	Subtotal Rural	1.0000	0.9809
24	Total Labrador Interconnected	1.0000	1.0000
	Ratios Excluding IOCC		
25	CFB - Goose Bay Boiler	-	0.0191
	Rural		
26	1.1Domestic	0.0057	0.0059
27	1.1A Domestic All Electric	0.5582	0.5754
28	2.1GS 0-10 kW	0.0221	0.0228
29	2.2GS 10-100 kW	0.1216	0.1254
30	2.3GS 110-1,000 kVa	0.1665	0.1716
31	2.4GS Over 1,000 kVa	0.1096	0.0632
32	4.1Street and Area Lighting	0.0162	0.0167
33	Subtotal Rural	1.0000	0.9809
34	Total Labrador Interconnected	1.0000	1.0000

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution											16 Accounting (\$)	17 Specifically Assigned Customer (\$)
						6 Substations		7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters	12 Street Lighting		
						Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
1	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	IOCC Firm	4,188,421	1,003,339	-	3,185,041	-	-	40	-	-	-	-	-	-	-	-	-	
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
4	1.1Domestic	147,331	4,699	4,307	7,706	5,915	7,403	14,496	2,303	28,582	1,135	8,693	3,337	7,268	-	48,617	-	
5	1.1A Domestic All Electric	7,505,497	594,720	623,238	975,335	748,641	936,950	380,187	291,487	749,632	143,597	227,995	87,520	190,617	-	1,275,106	-	
6	2.1GS 0-10 kW	256,046	9,615	13,182	15,769	12,104	15,148	20,737	4,713	40,888	2,322	12,436	8,962	19,520	-	69,549	-	
7	2.2GS 10-100 kW	1,274,584	122,776	146,980	201,351	154,552	193,427	29,293	59,823	57,759	29,471	17,567	32,167	70,058	-	98,246	-	
8	2.3GS 110-1,000 kVa	1,605,550	195,157	226,837	320,055	245,666	307,459	6,614	93,913	13,040	46,265	3,966	12,818	27,918	-	22,181	-	
9	2.4GS Over 1,000 kVa	1,484,157	192,063	276,875	314,981	241,771	302,584	242	66,232	476	32,628	145	468	1,020	-	810	-	
10	4.1Street and Area Lighting	229,492	3,697	3,535	6,063	4,654	5,824	15,502	1,812	30,566	893	9,297	-	-	87,495	51,993	-	
11	Subtotal Rural	12,502,656	1,122,726	1,294,955	1,841,259	1,413,302	1,768,795	467,070	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-	
12	Total	16,710,730	2,126,065	1,314,151	5,026,301	1,413,302	1,768,795	467,111	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-	
Allocated Return on Debt																		
13	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	IOCC Firm	758,007	259,001	-	498,984	-	-	22	-	-	-	-	-	-	-	-	-	
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
16	1.1Domestic	44,313	627	-	1,207	3,650	3,688	7,925	1,072	13,304	707	5,309	2,778	1,832	-	2,215	-	
17	1.1A Domestic All Electric	2,261,063	79,312	-	152,801	462,000	466,724	207,845	135,684	348,944	89,516	139,244	72,860	48,049	-	58,086	-	
18	2.1GS 0-10 kW	75,923	1,282	-	2,470	7,469	7,546	11,337	2,194	19,033	1,447	7,595	7,461	4,920	-	3,168	-	
19	2.2GS 10-100 kW	388,408	16,373	-	31,545	95,377	96,352	16,014	27,847	26,886	18,372	10,729	26,778	17,660	-	4,475	-	
20	2.3GS 110-1,000 kVa	484,310	26,026	-	50,141	151,605	153,155	3,616	43,715	6,070	28,841	2,422	10,671	7,037	-	1,010	-	
21	2.4GS Over 1,000 kVa	427,184	25,614	-	49,346	149,201	150,727	132	30,830	222	20,340	88	390	257	-	37	-	
22	4.1Street and Area Lighting	62,378	493	-	950	2,872	2,901	8,475	843	14,228	556	5,678	-	-	23,013	2,368	-	
23	Subtotal Rural	3,743,579	149,727	-	288,461	872,173	881,092	255,343	242,185	428,687	159,779	171,065	120,938	79,755	23,013	71,360	-	
24	Total	4,501,586	408,728	-	787,445	872,173	881,092	255,365	242,185	428,687	159,779	171,065	120,938	79,755	23,013	71,360	-	
Allocated Return on Equity																		
25	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	IOCC Firm	284,373	97,166	-	187,198	-	-	8	-	-	-	-	-	-	-	-	-	
27	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural:																		
28	1.1Domestic	16,625	235	-	453	1,369	1,383	2,973	402	4,991	265	1,992	1,042	687	-	831	-	
29	1.1A Domestic All Electric	848,256	29,755	-	57,324	173,323	175,095	77,975	50,903	130,909	33,583	52,239	27,334	18,026	-	21,791	-	
30	2.1GS 0-10 kW	28,483	481	-	927	2,802	2,831	4,253	823	7,140	543	2,849	2,799	1,846	-	1,189	-	
31	2.2GS 10-100 kW	145,714	6,143	-	11,834	35,781	36,147	6,008	10,447	10,086	6,892	4,025	10,046	6,625	-	1,679	-	
32	2.3GS 110-1,000 kVa	181,693	9,764	-	18,811	56,876	57,457	1,356	16,400	2,277	10,820	909	4,003	2,640	-	379	-	
33	2.4GS Over 1,000 kVa	160,261	9,609	-	18,513	55,974	56,546	50	11,566	83	7,631	33	146	96	-	14	-	
34	4.1Street and Area Lighting	23,402	185	-	356	1,077	1,088	3,179	316	5,338	209	2,130	-	-	8,633	889	-	
35	Subtotal Rural	1,404,434	56,171	-	108,218	327,203	330,549	95,794	90,858	160,826	59,943	64,177	45,371	29,921	8,633	26,771	-	
36	Total	1,688,806	153,338	-	295,416	327,203	330,549	95,802	90,858	160,826	59,943	64,177	45,371	29,921	8,633	26,771	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2E
Page 2 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal	PUB	
		Tax	Assessment	
	Allocated Rev Reqmt Excl Return	(\$)	(\$)	
1	CFB - Goose Bay Boiler	-	458	
2	IOCC Firm	-	-	
3	IOCC Non-Firm	-	-	
	Rural:			
4	1.1Domestic	2,731	141	
5	1.1A Domestic All Electric	266,656	13,815	
6	2.1GS 0-10 kW	10,555	547	
7	2.2GS 10-100 kW	58,104	3,010	
8	2.3GS 110-1,000 kVa	79,540	4,121	
9	2.4GS Over 1,000 kVa	52,345	1,517	
10	4.1Street and Area Lighting	7,759	402	
11	Subtotal Rural	477,690	23,553	
12	Total	477,690	24,011	
	Allocated Return on Debt			
13	CFB - Goose Bay Boiler	-	-	
14	IOCC Firm	-	-	
15	IOCC Non-Firm	-	-	
	Rural:			
16	1.1Domestic	-	-	
17	1.1A Domestic All Electric	-	-	
18	2.1GS 0-10 kW	-	-	
19	2.2GS 10-100 kW	-	-	
20	2.3GS 110-1,000 kVa	-	-	
21	2.4GS Over 1,000 kVa	-	-	
22	4.1Street and Area Lighting	-	-	
23	Subtotal Rural	-	-	
24	Total	-	-	
	Allocated Return on Equity			
25	CFB - Goose Bay Boiler	-	-	
26	IOCC Firm	-	-	
27	IOCC Non-Firm	-	-	
	Rural:			
28	1.1Domestic	-	-	
29	1.1A Domestic All Electric	-	-	
30	2.1GS 0-10 kW	-	-	
31	2.2GS 10-100 kW	-	-	
32	2.3GS 110-1,000 kVa	-	-	
33	2.4GS Over 1,000 kVa	-	-	
34	4.1Street and Area Lighting	-	-	
35	Subtotal Rural	-	-	
36	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Substations Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)		
							7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services		11 Meters				12 Street Lighting	
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)			Demand (\$)	Customer (\$)
37	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-			
38	IOCC Firm	5,230,801	1,359,506	-	3,871,224	-	-	71	-	-	-	-	-	-	-	-	-			
39	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
40	1.1Domestic	208,269	5,561	4,307	9,366	10,934	12,474	25,393	3,777	46,877	2,107	15,994	7,157	9,787	-	51,662	-			
41	1.1A Domestic All Electric	10,614,816	703,787	623,238	1,185,460	1,383,964	1,578,768	666,007	478,073	1,229,486	266,696	419,478	187,713	256,692	-	1,354,983	-			
42	2.1GS 0-10 kW	360,452	11,379	13,182	19,166	22,376	25,525	36,326	7,729	67,060	4,312	22,880	19,223	26,286	-	73,906	-			
43	2.2GS 10-100 kW	1,808,705	145,292	146,980	244,730	285,710	325,926	51,315	98,117	94,731	54,735	32,320	68,991	94,343	-	104,401	-			
44	2.3GS 110-1,000 kVa	2,271,553	230,947	226,837	389,007	454,146	518,071	11,586	154,029	21,388	85,926	7,297	27,493	37,596	-	23,571	-			
45	2.4GS Over 1,000 kVa	2,071,603	227,285	276,875	382,840	446,946	509,858	423	108,628	781	60,599	267	1,004	1,373	-	861	-			
46	4.1Street and Area Lighting	315,271	4,375	3,535	7,369	8,603	9,814	27,157	2,972	50,133	1,658	17,104	-	-	119,142	55,250	-			
47	Subtotal Rural	17,650,669	1,328,625	1,294,955	2,237,938	2,612,678	2,980,435	818,207	853,325	1,510,456	476,032	515,340	311,581	426,077	119,142	1,664,633	-			
48	Total	22,901,123	2,688,131	1,314,151	6,109,162	2,612,678	2,980,435	818,278	853,325	1,510,456	476,032	515,340	311,581	426,077	119,142	1,664,633	-			
Re-classification of Revenue-Related																				
49	CFB - Goose Bay Boiler	-	-	458	-	-	-	-	-	-	-	-	-	-	-	-	-			
50	IOCC Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
51	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
52	1.1Domestic	(0)	78	60	131	153	174	355	53	656	29	224	100	137	-	722	-			
53	1.1A Domestic All Electric	(0)	19,101	16,915	32,173	37,560	42,847	18,075	12,975	33,368	7,238	11,385	5,094	6,967	-	36,774	-			
54	2.1GS 0-10 kW	0	362	419	609	711	811	1,154	246	2,131	137	727	611	835	-	2,349	-			
55	2.2GS 10-100 kW	(0)	5,081	5,140	8,558	9,992	11,398	1,795	3,431	3,313	1,914	1,130	2,413	3,299	-	3,651	-			
56	2.3GS 110-1,000 kVa	0	8,831	8,674	14,875	17,366	19,810	443	5,890	818	3,286	279	1,051	1,438	-	901	-			
57	2.4GS Over 1,000 kVa	(0)	6,067	7,391	10,220	11,931	13,610	11	2,900	21	1,618	7	27	37	-	23	-			
58	4.1Street and Area Lighting	0	116	94	196	229	261	722	79	1,332	44	455	-	-	3,166	1,468	-			
59	Subtotal Rural	(0)	39,635	38,692	66,762	77,941	88,912	22,555	25,573	41,638	14,266	14,206	9,296	12,712	3,166	45,888	-			
60	Total	(0)	39,635	39,150	66,762	77,941	88,912	22,555	25,573	41,638	14,266	14,206	9,296	12,712	3,166	45,888	-			
Total Allocated Revenue Requirement																				
61	CFB - Goose Bay Boiler	19,653	-	19,653	-	-	-	-	-	-	-	-	-	-	-	-	-			
62	IOCC Firm	5,230,801	1,359,506	-	3,871,224	-	-	71	-	-	-	-	-	-	-	-	-			
63	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																				
64	1.1Domestic	208,269	5,638	4,367	9,497	11,087	12,648	25,748	3,830	47,533	2,137	16,217	7,257	9,924	-	52,385	-			
65	1.1A Domestic All Electric	10,614,816	722,887	640,153	1,217,633	1,421,524	1,621,616	684,082	491,048	1,262,854	273,934	430,862	192,808	263,658	-	1,391,757	-			
66	2.1GS 0-10 kW	360,452	11,740	13,601	19,775	23,087	26,336	37,481	7,975	69,192	4,449	23,607	19,834	27,122	-	76,254	-			
67	2.2GS 10-100 kW	1,808,705	150,373	152,120	253,289	295,701	337,324	53,110	101,548	98,044	56,649	33,451	71,404	97,642	-	108,052	-			
68	2.3GS 110-1,000 kVa	2,271,553	239,778	235,511	403,882	471,511	537,881	12,029	159,919	22,206	89,212	7,576	28,544	39,033	-	24,472	-			
69	2.4GS Over 1,000 kVa	2,071,603	233,353	284,266	393,060	458,877	523,468	435	111,528	802	62,216	274	1,031	1,410	-	884	-			
70	4.1Street and Area Lighting	315,271	4,491	3,629	7,565	8,831	10,074	27,878	3,051	51,465	1,702	17,559	-	-	122,308	56,718	-			
71	Subtotal Rural	17,650,669	1,368,260	1,333,648	2,304,700	2,690,619	3,069,347	840,763	878,898	1,552,095	490,298	529,546	320,877	438,789	122,308	1,710,521	-			
72	Total	22,901,123	2,727,767	1,353,301	6,175,924	2,690,619	3,069,347	840,833	878,898	1,552,095	490,298	529,546	320,877	438,789	122,308	1,710,521	-			

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 3.2E
Page 4 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal	PUB	
		Tax	Assessment	
	Total Revenue Requirement	(\$)	(\$)	
37	CFB - Goose Bay Boiler	-	458	
38	IOCC Firm	-	-	
39	IOCC Non-Firm	-	-	
	Rural:			
40	1.1Domestic	2,731	141	
41	1.1A Domestic All Electric	266,656	13,815	
42	2.1GS 0-10 kW	10,555	547	
43	2.2GS 10-100 kW	58,104	3,010	
44	2.3GS 110-1,000 kVa	79,540	4,121	
45	2.4GS Over 1,000 kVa	52,345	1,517	
46	4.1Street and Area Lighting	7,759	402	
47	Subtotal Rural	477,690	23,553	
48	Total	477,690	24,011	
	Re-classification of Revenue-Related			
49	CFB - Goose Bay Boiler	-	(458)	Re-classification to demand, energy and customer is based on rate class revenue
50	IOCC Firm	-	-	requirements excluding revenue-related items.
51	IOCC Non-Firm	-	-	
	Rural:			
52	1.1Domestic	(2,731)	(141)	
53	1.1A Domestic All Electric	(266,656)	(13,815)	
54	2.1GS 0-10 kW	(10,555)	(547)	
55	2.2GS 10-100 kW	(58,104)	(3,010)	
56	2.3GS 110-1,000 kVa	(79,540)	(4,121)	
57	2.4GS Over 1,000 kVa	(52,345)	(1,517)	
58	4.1Street and Area Lighting	(7,759)	(402)	
59	Subtotal Rural	(477,690)	(23,553)	
60	Total	(477,690)	(24,011)	
	Total Allocated Revenue Requirement			
61	CFB - Goose Bay Boiler	-	-	
62	IOCC Firm	-	-	
63	IOCC Non-Firm	-	-	
	Rural:			
64	1.1Domestic	-	-	
65	1.1A Domestic All Electric	-	-	
66	2.1GS 0-10 kW	-	-	
67	2.2GS 10-100 kW	-	-	
68	2.3GS 110-1,000 kVa	-	-	
69	2.4GS Over 1,000 kVa	-	-	
70	4.1Street and Area Lighting	-	-	
71	Subtotal Rural	-	-	
72	Total	-	-	

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Functionalization & Classification Ratios

Line No.	Description	1 Total Amount (%)	2 3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7 Distribution										17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
							8 Substations Demand (%)	9 Primary Lines Demand Customer (%)		10 Line Transformers Demand Customer (%)		11 Secondary Lines Demand Customer (%)		12 Services Customer (%)	13 Meters Customer (%)	14 Street Lighting Customer (%)		
Generation																		
1	Hydraulic	100%	44.92%	55.08%														
2	Hydraulic - GNP	100%	44.92%	55.08%		0.0%												
3	Holyrood	100%	72.24%	27.76%														
4	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
5	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
6	Dsl / Gas Tur Island Isolated	100%	43.90%	56.10%														
7	Dsl / Gas Tur Labrador Isolated	100%	34.26%	65.74%														
8	Dsl / Gas Tur L'Anse au Loup	100%	100.00%	0.00%														
9	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Fuel																		
10	No. 6 Fuel	100%	0.00%	100.00%														
11	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
12	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
13	Dsl / Gas Tur Island / Lab Isolated	100%	0.00%	100.00%														
14	Dsl / Gas Tur L'Anse au Loup	100%	0.00%	100.00%														
15	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Transmission Lines & Terminals																		
16	Lines	100%		0.00%	100%													
17	Lines - Hydraulic	100%	44.92%	55.08%														
18	Lines - Customer Specific	100%															100%	
19	Terminal Stations	100%		0.00%	100%													
20	Term Stns - Hydraulic	100%	44.92%	55.08%														
21	Term Stns - Holyrood	100%	72.24%	27.76%														
22	Term Stns - Gas Tur	100%	100%															
23	Term Stns - Diesel GNP	100%	100.00%	0.00%		0.0%												
24	Terminal Stations - Distribution	100%					100%											
25	Term Stns - Custmr Specific	100%															100%	
26	Rural Lines	100%				100.0%												
27	Rural Terminal Stations	100%				100.0%												

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Functionalization & Classification Ratios (CONT'D.)

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-16 Distribution								17 Accounting Customer (%)	18 Specifically Assigned Customer (%)	
							7 Substations Demand (%)	8 Primary Lines Demand (%)		9 Line Transformers Demand (%)		10 Secondary Lines Demand (%)		11 Services Customer (%)			12 Meters Customer (%)
	Distribution																
28	Substation Structures & Equipment						100%										
29	Land & Land Improvements - by Sub-function:																
30	Primary	85%						88.7%	11.3%								
31	Secondary	15%										58.3%	41.7%				
32	Land & Land Improvements	100%						75.4%	9.6%			8.7%	6.3%				
33	Poles - by Subfunction:																
34	3 phase - Primary	41.2%						100.0%									
35	Other Primary	36.4%						45.7%	54.3%								
36	Secondary	22.4%										45.7%	54.3%				
37	Poles	100%						57.8%	19.8%			10.2%	12.2%				
38	Primary Conductor & Equip	100%						88.7%	11.3%								
39	Submarine Conductor	100%						100.0%									
40	Transformers	100%								36.1%	63.9%						
41	Secondary Conductor & Equip	100%										58.3%	41.7%				
42	Services	100%												100.0%			
43	Meters	100%													100.0%		
44	Street Lighting	100%														100.0%	
45	Customer Accounting	100%															100.0%

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 4.2
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency**

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)	7,238,900	7,646	44,912	24,953	2,676,900
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	826,358	873	5,127	2,848	305,582
4	Coincident Peak at Generation (kW)	1,500,405	1,556	7,799	5,736	431,777
5	System Load Factor	55.08%	56.10%	65.74%	49.66%	70.77%

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

Schedule 4.3
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Holyrood Capacity Factor**

	1	2	3	4	5
Line No.	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
1	2011 Actual	885,313,869	466	8,760	21.69%
2	2012 Actual	855,826,207	466	8,784	20.93%
3	2013 Actual	957,442,307	466	8,760	23.48%
4	2014 Forecast	1,373,039,000	466	8,760	33.67%
5	2015 Forecast	1,592,992,000	466	8,760	39.07%
6	5-Year Average	1,132,922,677	466	8,765	27.76%

Exhibit 12 - 2015 Test Year Cost of Service for 2016 Revenue Deficiency

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Power Purchases**

Line No.	1	2	3	4	5	6	7	
	Total	Production Demand	Production & Transmission Energy	Transmission Demand	Rural Transmission Demand	Distribution Demand		Basis of Functional Classification
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Island Interconnected:								
1	-		-					Production - Energy (Same as RSP Sec Load Var)
2	-		-					Production - Energy (Secondary)
3	693,003					693,003		Rural Transmission
4	2,122,400	2,122,400						Production - Demand
5	-		-					Production - Energy
6	42,562,239	19,120,793	23,441,445					Energy: System Load Factor
7	12,732,178		12,732,178					Production - Energy
8	58,109,820	21,243,193	36,173,623		-	693,003		
Labrador Interconnected:								
9	1,856,851	542,700	1,314,151					Energy: System Load Factor
10	-							
11	1,856,851	542,700	1,314,151		-	-		
Isolated Systems:								
12	-		-					Production - Energy
13	2,657,696		2,657,696					Production - Energy
14	202,500		202,500					Production - Energy
15	2,860,196	0	2,860,196		0	0	0	
16	62,826,867	21,785,893	40,347,970		-	693,003		

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Total System
Revenue Requirement

Line No.	Description	1 Total Amount (\$)	2 Island Interconnected (\$)	3 Island Isolated (\$)	4 Labrador Isolated (\$)	5 L'Anse au Loup (\$)	6 Labrador Interconnected (\$)	7 Basis of Proration	8
	Revenue Requirement								
	Expenses								
1	Operating, Maintenance and Admin.	132,737,670	100,888,350	5,615,999	13,293,544	1,553,095	11,386,683	Detailed Analysis	
2	Fuels - No. 6 Fuel	166,540,358	166,540,358	-	-	-	-	Detailed Analysis	
3	Fuels - Diesel	17,260,946	87,140	2,198,340	14,315,837	585,108	74,521	Detailed Analysis	
4	Fuels - Gas Turbine	3,672,993	3,473,690	-	-	-	199,303		
5	Fuel Supply Deferral	-	-	-	-	-	-		
6	Power Purchases -CF(L)Co	1,856,851	-	-	-	-	1,856,851	Detailed Analysis	
7	Power Purchases - Other	60,970,016	58,109,820	202,500	-	2,657,696	-	Detailed Analysis	
9	Depreciation	62,792,518	55,708,988	539,188	2,621,605	435,508	3,487,229	Detailed Analysis	
	Expense Credits:								
10	Sundry	(664,680)	(505,195)	(28,122)	(66,567)	(7,777)	(57,018)	Total O&M Expenses	
11	Building Rental Income	(17,472)	(17,472)	-	-	-	0	Detailed Analysis	
12	Tax Refunds	-	-	-	-	-	-	Total O&M Expenses	
13	Suppliers' Discounts	(103,548)	(78,703)	(4,381)	(10,370)	(1,212)	(8,883)	Total O&M Expenses	
14	Pole Attachments	(1,718,482)	(1,263,389)	(24,203)	(105,320)	(69,837)	(255,733)	Detailed Analysis	
15	Secondary Energy Revenues	-	-	-	-	-	-	Island Interconnected	
16	Wheeling Revenues	-	0	-	-	-	-	Island Interconnected	
17	Application Fees	(26,544)	(11,476)	(168)	(1,472)	(412)	(13,016)	Detailed Analysis	
18	Meter Test Revenues	(3,400)	(2,075)	(57)	(215)	(110)	(943)	Weighted Customers	
19	Total Expense Credits	(2,534,126)	(1,878,310)	(56,931)	(183,944)	(79,348)	(335,593)		
20	Subtotal Expenses	443,297,226	382,930,036	8,499,096	30,047,042	5,152,059	16,668,993		
21	Disposal Gain/Loss	4,074,381	3,555,647	133,059	273,138	70,800	41,737	Detailed Analysis	
22	Subtotal Rev Req Excl Return	447,371,607	386,485,683	8,632,155	30,320,180	5,222,859	16,710,730		
23	Return on Debt	85,708,058	77,264,792	597,493	2,855,552	549,258	4,440,963	Rate Base	
24	Return on Equity	32,286,008	29,105,451	225,074	1,075,679	206,904	1,672,899	Rate Base	
25	Total Revenue Requirement ⁽¹⁾	565,365,673	492,855,926	9,454,722	34,251,411	5,979,022	22,824,593		

(1) Reconciliation to the Revenue Requirement per Finance Schedules (\$millions):

Total Revenue Requirement per Cost of Service	565.4
Add Expense Credits	2.5
Less IOCC Cost Recovery	1.4
Total Revenue Requirement per Finance Schedules	566.5

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total System
Return on Rate Base

Line No	1	2	3	4	5	6	7	8
	Total \$	Island Interconnected \$	Island Isolated \$	Labrador Isolated \$	L'Anse au Loup \$	Labrador Interconnected \$		Basis of Proration
Rate Base:								
1	Average Net Book Value	1,612,852,414	1,453,224,206	11,343,272	52,259,255	10,540,623	85,485,059	Schedule 2.3
2	Cash Working Capital	7,037,000	6,340,530	49,492	228,011	45,990	372,978	Prorated on Average Net Book Value - L. 1
3	Fuel Inventory - No. 6 Fuel	39,681,050	39,681,050	-	-	-	-	Specifically Assigned - Holyrood
4	Fuel Inventory - Diesel	3,518,344	186,223	165,549	3,084,574	44,283	37,715	Detailed Fuel Analysis
5	Fuel Inventory - Gas Turbine	4,198,498	3,992,487	-	-	-	206,011	Detailed Fuel Analysis
6	Inventory/Supplies	27,402,000	24,359,458	250,202	973,460	217,976	1,600,905	Prorated on Total Plant in Service, Schedule 2.2
7	Deferred Charges: Holyrood	-	-	-	-	-	-	Detailed Analysis
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	90,665,000	81,691,649	637,651	2,937,705	592,531	4,805,463	Prorated on Average Net Book Value - L. 1
9	Total Rate Base	1,785,354,306	1,609,475,602	12,446,166	59,483,005	11,441,402	92,508,130	
10	Less: Rural Portion	-	-	-	-	-	-	Schedule 2.6, L. 9
11	Rate Base Available for Equity Return	1,785,354,306	1,609,475,602	12,446,166	59,483,005	11,441,402	92,508,130	
Corporate Targets:								
12	Capital Structure: Percent of Debt	74.210% ⁽¹⁾						
13	Return	6.469%						
14	Weighted Average Return: Debt	4.801%						
15	Capital Structure: Percent of Equity	21.275% ⁽¹⁾						
16	Return	8.500%						
17	Weighted Average Return: Equity	1.808%						
18	Weighted Average Cost of Capital	6.609%						
Return on Rate Base by System (%):								
19	Return on Rate Base - Debt Component	-	4.801%	4.801%	4.801%	4.801%	4.801%	
20	Return on Rate Base - Equity Component	-	1.808%	1.808%	1.808%	1.808%	1.808%	
Return on Rate Base (\$):								
21	Return on Debt	85,708,058	77,264,792	597,493	2,855,552	549,258	4,440,963	Schedule 2.6, L.12
22	Return on Equity	32,286,008	29,105,451	225,074	1,075,679	206,904	1,672,899	Schedule 2.6, L.13
23	Return on Rate Base (\$)	117,994,066	106,370,243	822,567	3,931,232	756,162	6,113,862	Schedule 2.6, L.14
Return on Total Rate Base (%):								
24	Return on Rate Base - Debt Component	4.801%	4.801%	4.801%	4.801%	4.801%	4.801%	L. 21 divided by L.9
25	Return on Rate Base - Equity Component	1.808%	1.808%	1.808%	1.808%	1.808%	1.808%	L. 22 divided by L.9
26	Return on Rate Base (%)	6.609%	6.609%	6.609%	6.609%	6.609%	6.609%	L. 23 divided by L.9

⁽¹⁾ Debt and equity weightings reflect a 0.6201% funded ARO and 3.92063% component for Employee Future Benefits at 0% cost.

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Total System
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 Credits (\$)	5 Deficit (\$)	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)
Total System								
1	Newfoundland Power	446,149,437	386,597,884	-	59,557,171	-	446,155,054	
2	RSP Activity	-	-	-	-	-	-	
3	Subtotal Newfoundland Power	446,149,437	386,597,884	-	59,557,171	-	446,155,054	1.15
4	Island Industrial	34,823,379	34,828,640	-	-	-	34,828,640	1.00
5	Unallocated RSP Hydraulic Variation	-	-	-	-	-	-	-
6	Labrador Industrial	5,210,906	5,218,122	-	-	-	5,218,122	1.00
7	CFB - Goose Bay Secondary	932,221	19,653	912,568	-	-	932,221	47.43
8	Rural Labrador Interconnected	20,295,994	17,586,817	-	2,709,330	-	20,296,146	1.15
Rural Deficit Areas								
9	Island Interconnected	46,013,676	71,429,395	-	(25,415,719)	-	46,013,676	0.64
10	Island Isolated	1,480,758	9,454,722	-	(7,973,963)	-	1,480,758	0.16
11	Labrador Isolated	7,858,293	34,251,411	-	(26,393,119)	-	7,858,293	0.23
12	L'Anse au Loup	2,582,755	5,979,022	-	(3,396,267)	-	2,582,755	0.43
13	CFB Revenue Credit Applied to Deficit	-	-	(912,568)	912,568	-	-	-
14	Subtotal	57,935,483	121,114,550	(912,568)	(62,266,500)	-	57,935,483	0.48
15	Total	565,347,419	565,365,667	-	-	-	565,365,667	1.00

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
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)
Island Interconnected								
1	Newfoundland Power	446,149,437	386,597,884	-	59,557,171	-	446,155,054	
2	NLP RSP Activity	-					-	
3	Subtotal Newfoundland Power	446,149,437	386,597,884	-	59,557,171	-	446,155,054	1.15
4	Industrial - Firm	34,823,379	34,828,640	-			34,828,640	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	-					-	
7	Subtotal Industrial	34,823,379	34,828,640	-	-		34,828,640	1.00
Rural								
8	1.1 Domestic	12,966,400	21,069,534	-	(8,103,134)		12,966,400	0.62
9	1.12 Domestic All Electric	15,343,036	24,347,709	-	(9,004,673)		15,343,036	0.63
10	1.3 Special	19,520	60,303	-	(40,784)		19,520	0.32
11	2.1 General Service 0-10 kW							
12	2.2 General Service 10-100 kW	8,363,159	11,983,998	-	(3,620,839)		8,363,159	0.70
13	2.3 General Service 110-1,000 kVa	5,389,549	8,307,651	-	(2,918,102)		5,389,549	0.65
14	2.4 General Service Over 1,000 kVa	2,959,510	4,396,628	-	(1,437,118)		2,959,510	0.67
15	4.1 Street and Area Lighting	972,503	1,263,572	-	(291,069)		972,503	0.77
16	Subtotal Rural	46,013,676	71,429,395	-	(25,415,719)		46,013,676	0.64
17	Total Island Interconnected	526,986,492	492,855,919	-	34,141,451		526,997,370	1.07

Note1:

Calculation of Island Industrial Non-Firm Revenue Credit	
Island Industrial Non-Firm Revenues, Ln 5, Col 2	-
Island Industrial Non-Firm Allocated Cost of Service, Ln 5, Col 3	-
Credit to be allocated to Island Interconnected Firm Customers	-

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Island Isolated
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 (\$)	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)
Island Isolated								
1	1.2 Domestic Diesel	742,164	7,148,939		(6,406,775)		742,164	0.10
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	59,248	0		59,248		59,248	0.00
4	2.1 General Service 0-10 kW	175,322	914,117		(738,794)		175,322	0.19
5	2.2 GS 10-100 kW	463,238	766,457		(303,219)		463,238	0.60
6	2.3 GS 110-1,000 kVa	0	445,443		(445,443)		0	0.00
7	2.4 General Service Over 1,000 kVa	0	0		0		0	0.00
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	40,786	179,766		(138,980)		40,786	0.23
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	1,480,758	9,454,722		(7,973,963)		1,480,758	0.16

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
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 (\$)	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)
Labrador Isolated								
1	1.2 Domestic Diesel	3,160,883	18,120,350		(14,959,468)		3,160,883	0.17
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	261,171	0		261,171		261,171	0.00
4	2.1 General Service 0-10 kW	1,101,327	3,480,251		(2,378,925)		1,101,327	0.32
5	2.2 GS 10-100 kW	2,714,420	8,922,720		(6,208,299)		2,714,420	0.30
6	2.3 GS 110-1,000 kVa	304,828	1,839,239		(1,534,411)		304,828	0.17
7	2.4 General Service Over 1,000 kVa	197,717	1,542,664		(1,344,947)		197,717	0.13
8	2.5 GS Diesel	0	0		0		0	0.00
9	2.5G Gov't General Service Diesel	0	0		0		0	0.00
10	4.1 Street and Area Lighting	117,947	346,187		(228,241)		117,947	0.34
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	7,858,293	34,251,411		(26,393,119)		7,858,293	0.23

NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
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 (\$)	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)
L'Anse au Loup								
1	1.1 Domestic	482,222	1,238,431		(756,209)		482,222	0.39
2	1.12 Domestic All Electric	1,109,477	2,730,462		(1,620,985)		1,109,477	0.41
3	2.1 General Service 0-10 kW	0	0		0		0	0.00
4	2.2 General Service 10-100 kW	755,060	1,578,832		(823,772)		755,060	0.48
5	2.3 General Service 110-1,000 kVa	187,546	367,210		(179,663)		187,546	0.51
6	4.1 Street and Area Lighting	48,450	64,087		(15,637)		48,450	0.76
7	Total L'Anse Au Loup	2,582,755	5,979,022		(3,396,267)		2,582,755	0.43

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRIC 2015 Test Year Cost of Service - Rate Setting Labrador Interconnected Comparison of Revenue & Allocated Revenue Requirement								
1	2	3	4	5	6	7	8	
Line No.	Rate Class	Revenues	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Credit	Deficit Allocation	RSP Activity	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6)	Revenue to Cost Coverage (Col.2/3)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Labrador Interconnected								
1	Industrial IOCC Firm	5,210,906	5,218,122	-	-		5,218,122	1.00
2	Industrial IOCC Non-Firm	-	-	-	-		-	0.00
3	Subtotal Industrial	5,210,906	5,218,122	-	-		5,218,122	1.00
4	CFB - Goose Bay Secondary	932,221	19,653	912,568	-		932,221	47.43
Rural								
5	1.1 Domestic	102,084	207,512	-	31,968.13		239,480	0.49
6	1.1A Domestic All Electric	11,134,459	10,576,239	-	1,629,318		12,205,557	1.05
7	2.1 General Service 0-10 kW	413,333	359,155	-	55,330		414,485	1.15
8	2.2 General Service 10-100 kW	2,359,886	1,802,080	-	277,619		2,079,699	1.31
9	2.3 General Service 110-1,000 kVa	3,096,094	2,263,299	-	348,672		2,611,970	1.37
10	2.4 General Service Over 1,000 kVa	2,827,524	2,064,325	-	318,019		2,382,344	1.37
11	4.1 Street and Area Lighting	362,613	314,207	-	48,405		362,612	1.15
12	Subtotal Rural	20,295,994	17,586,817	-	2,709,330		20,296,146	1.15
13	Total Labrador Interconnected	26,439,121	22,824,593	912,568	2,709,330		26,446,490	1.16

Note 1:

Calculation of CFB - Goose Bay Secondary Revenue Credit

CFB - Goose Bay Secondary Revenues, Ln 4, Col 2	932,221
CFB - Goose Bay Secondary Allocated Cost of Service, Ln 4, Col 3	(19,653)
CFB - Goose Bay Secondary Allocated Deficit, Ln 4, Col 5	-
Revenue Credit	<u>912,568</u>

Revenue Credit Applied to Deficit	100.0%	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		<u>912,568</u>

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Total System
Rural Deficit Allocation**

Line No.	1 Rate Class	2 Allocated Revenue Req't (\$)	3 Demand (\$)	4 Energy (\$)	5 Customer (\$)	6 Source
CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:						
1	Newfoundland Power	386,597,884	146,892,778	235,479,983	4,225,123	Schedule 1.3.1, p. 1
2	Rural Labrador Interconnected	17,586,817	10,757,783	1,333,792	5,495,241	Schedule 1.3.1, p. 3
3	Total	404,184,701	157,650,561	236,813,776	9,720,364	
4	Deficit Classified	62,266,500.04	24,286,789	36,482,244	1,497,466	Prorated on Line 3

* Specifically assigned costs are converted to equivalent unweighted customers by dividing the assigned cost by the allocated customer cost per unweighted customer.

Rural Customer Costs per Rural Customer:

Island Interconnected:	\$519.63
Labrador Interconnected:	\$473.74

**NEWFOUNDLAND AND LABRADOR HYDRIC
2015 Test Year Cost of Service - Rate Setting
Total System
Rural Deficit Allocation**

Line No.	1	2	
	Rate Class	<u>Deficit Allocation</u> Allocated 100% on Revenue Req ^t (\$)	
ALLOCATION OF DEFICIT:			
1	Island Interconnected	59,557,170.52	
2	Labrador Interconnected	2,709,329.52	
3	Allocated Totals	<u><u>62,266,500</u></u>	
CUSTOMER DEFICIT ALLOCATION:			
		Amount	Percent
Island Interconnected:			
4	Newfoundland Power	<u>59,557,171</u>	95.6%
5	Sub-Total Island Interconnected	<u>59,557,171</u>	
Labrador Interconnected:			
6	Rural Labrador Interconnected	<u>2,709,330</u>	4.4%
7	Subtotal Labrador Interconnected	<u>2,709,330</u>	
8	Total	<u><u>62,266,500</u></u>	100.0%

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
	Island Interconnected										
1	Newfoundland Power	9.71	-	0.03975	-	352,093.56	11.21	-	0.04587	-	406,335.18
2	Industrial - Firm	7.99	-	0.03971	-	27,330.55	7.99	-	0.03971	-	27,330.55
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-
	Rural										
4	1.1 Domestic	-	0.09779	0.04413	0.14192	39.69	-	-	-	-	-
5	1.12 Domestic All Electric	-	0.10111	0.04420	0.14531	39.75	-	-	-	-	-
6	1.3 Special	-	0.12970	0.04372	0.17342	39.33	-	-	-	-	-
7	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-	-	-
8	2.2 General Service 10-100 kW	52.58	-	0.04432	-	58.03	-	-	-	-	-
9	2.3 General Service 110-1,000 kVa	31.12	-	0.04425	-	75.54	-	-	-	-	-
10	2.4 General Service Over 1,000 kVa	25.37	-	0.04360	-	75.55	-	-	-	-	-
11	4.1 Street and Area Lighting	-	0.12485	0.04434	0.16920	69.50	-	-	-	-	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
Isolated Systems:											
1	1.2 Domestic Diesel	-	0.27142	0.62022	0.89164	55.69					
2	2.1 General Service 0-10 kW	-	0.19879	0.61489	0.81367	59.76					
3	2.2 GS 10-100 kW	59.83	-	0.60033	-	73.76					
4	2.3 GS 110-1,000 kVa	21.70	-	0.60531	-	98.83					
5	2.4 General Service Over 1,000 kVa	14.16	-	0.59078	-	90.00					
6	Subtotal Metered Demand Classes	44.84	-	0.59991	-	74.95					
7	4.1 Street and Area Lighting	-	0.32698	0.62930	0.95628	98.39					
Island Isolated											
8	1.2 Domestic Diesel	-	0.48095	0.73436	1.21531	76.96	-	-	-	-	-
9	2.1 General Service 0-10 kW	-	0.36197	0.73670	1.09867	86.25	-	-	-	-	-
10	2.2 GS 10-100 kW	170.72	-	0.74364	-	117.16	-	-	-	-	-
11	2.3 GS 110-1,000 kVa	141.74	-	0.73208	-	152.71	-	-	-	-	-
12	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-
13	4.1 Street and Area Lighting	-	0.53466	0.73683	1.27148	116.50	-	-	-	-	-
Labrador Isolated											
14	1.2 Domestic Diesel	-	0.21780	0.59101	0.80881	48.52	-	-	-	-	-
15	2.1 General Service 0-10 kW	-	0.17003	0.59342	0.76345	53.65	-	-	-	-	-
16	2.2 GS 10-100 kW	55.46	-	0.59183	-	69.71	-	-	-	-	-
17	2.3 GS 110-1,000 kVa	10.35	-	0.58980	-	89.85	-	-	-	-	-
18	2.4 General Service Over 1,000 kVa	14.16	-	0.59078	-	90.00	-	-	-	-	-
19	4.1 Street and Area Lighting	-	0.25827	0.59372	0.85198	90.10	-	-	-	-	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
		Demand		Energy (\$/kWh)	Non-Demand		Demand		Energy (\$/kWh)	Non-Demand	
		Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)	Demand (\$/kW)	Non-Demand (\$/kWh)		Demand & Energy (\$/kWh)	Customer (\$/Bill)
L'Anse au Loup											
1	1.1 Domestic	-	0.10493	0.14164	0.24657	45.01	-	-	-	-	-
2	1.12 Domestic All Electric	-	0.09704	0.14145	0.23849	44.95	-	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	0.00	-	-	-	-	-
4	2.2 General Service 10-100 kW	28.96	-	0.14160	-	61.70	-	-	-	-	-
5	2.3 General Service 110-1,000 kVa	11.41	-	0.14277	-	78.51	-	-	-	-	-
6	4.1 Street and Area Lighting	-	0.09752	0.14264	0.24015	80.58	-	-	-	-	-
Labrador Interconnected											
7	Industrial - IOCC Firm	1.61	-	-	-	5.85	1.61	-	-	-	5.85
8	Industrial - IOCC Non-Firm	-	-	-	-	0.00	-	-	-	-	0.00
9	CFB - Goose Bay Secondary	-	-	0.00193	0.00193	0.00	-	-	0.00193	0.00193	0.00
Rural											
10	1.1 Domestic	-	0.02051	0.00201	0.02252	36.69	-	0.02367	0.00232	0.02599	42.34
11	1.1A Domestic All Electric	-	0.01817	0.00203	0.02021	37.17	-	0.02097	0.00235	0.02332	42.89
12	Subtotal Domestic	-	0.01819	0.00203	0.02022	37.15	-	0.02099	0.00235	0.02334	42.87
13	2.1 General Service 0-10 kW	-	0.01395	0.00204	0.01600	40.87	-	0.01610	0.00236	0.01846	47.17
14	2.2 General Service 10-100 kW	4.83	-	0.00205	-	52.69	5.58	-	0.00236	-	60.80
15	2.3 General Service 110-1,000 kVa	5.52	-	0.00205	-	67.65	6.38	-	0.00237	-	78.07
16	2.4 General Service Over 1,000 kVa	6.01	-	0.00201	-	66.89	6.94	-	0.00232	-	77.20
17	4.1 Street and Area Lighting	-	0.01990	0.00203	0.02193	59.53	0.00	0.02297	0.00234	0.02531	68.70

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.3.1
Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts**

56.04866%
1.4081633
9

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Island Interconnected								
1	Newfoundland Power	386,597,884	146,892,778	235,479,983	4,225,123	446,155,054	169,522,282	271,756,751	4,876,022
2	Industrial - Firm	34,828,640	8,512,045	24,676,762	1,639,833	34,828,640	8,512,045	24,676,762	1,639,833
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-
	Rural								
4	1.1 Domestic	21,069,534	10,731,025	4,842,897	5,495,612	-	-	-	-
5	1.12 Domestic All Electric	24,347,709	14,208,184	6,210,679	3,928,845	-	-	-	-
6	1.3 Special	60,303	44,747	15,085	472	-	-	-	-
7	2.1 General Service 0-10 kW								
8	2.2 General Service 10-100 kW	11,983,998	6,604,812	3,354,146	2,025,040	-	-	-	-
9	2.3 General Service 110-1,000 kVa	8,307,651	5,560,036	2,664,269	83,346	-	-	-	-
10	2.4 General Service Over 1,000 kVa	4,396,628	2,814,379	1,574,996	7,253	-	-	-	-
11	4.1 Street and Area Lighting	1,263,572	349,591	124,159	789,821	-	-	-	-
12	Subtotal Rural	71,429,395	40,312,774	18,786,232	12,330,389				
13	Total Island Interconnected	492,855,919	195,717,596	278,942,977	18,195,345				

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Isolated Systems:									
1	1.2 Domestic Diesel	25,269,290	7,128,976	16,290,409	1,849,905				
2	2.1 General Service 0-10 kW	4,394,368	983,913	3,043,444	367,011				
3	2.2 GS 10-100 kW	9,689,177	2,194,019	7,360,222	134,936				
4	2.3 GS 110-1,000 kVa	2,284,682	332,183	1,944,197	8,302				
5	2.4 General Service Over 1,000 kVa	1,542,664	90,245	1,451,338	1,080				
6	Subtotal Metered Demand Classes	13,516,522	2,616,447	10,755,758	144,318				
7	4.1 Street and Area Lighting	525,953	130,990	252,097	142,866				
8	Total Isolated Systems	43,706,133	10,860,326	30,341,708	2,504,100				
Island Isolated									
9	1.2 Domestic Diesel	7,148,939	2,574,058	3,930,284	644,597	-	-	-	-
10	2.1 General Service 0-10 kW	914,117	268,431	546,328	99,357	-	-	-	-
11	2.2 GS 10-100 kW	766,457	237,371	510,809	18,277	-	-	-	-
12	2.3 GS 110-1,000 kVa	445,443	187,384	256,226	1,833	-	-	-	-
13	2.4 General Service Over 1,000 kVa	-	-	-	-	-	-	-	-
14	4.1 Street and Area Lighting	179,766	53,252	73,388	53,126	-	-	-	-
15	Total Island Isolated	9,454,722	3,320,496	5,317,036	817,190				
Labrador Isolated									
16	1.2 Domestic Diesel	18,120,350	4,554,918	12,360,125	1,205,308	-	-	-	-
17	2.1 General Service 0-10 kW	3,480,251	715,482	2,497,116	267,653	-	-	-	-
18	2.2 GS 10-100 kW	8,922,720	1,956,647	6,849,413	116,659	-	-	-	-
19	2.3 GS 110-1,000 kVa	1,839,239	144,799	1,687,971	6,470	-	-	-	-
20	2.4 General Service Over 1,000 kVa	1,542,664	90,245	1,451,338	1,080	-	-	-	-
21	4.1 Street and Area Lighting	346,187	77,738	178,709	89,740	-	-	-	-
22	Total Labrador Isolated	34,251,411	7,539,829	25,024,672	1,686,910				

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.3.1
Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts**

Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total	Demand	Energy	Customer	Total	Demand	Energy	Customer
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
L'Anse au Loup									
1	1.1 Domestic	1,238,431	433,474	585,126	219,831	-	-	-	-
2	1.12 Domestic All Electric	2,730,462	1,026,333	1,495,931	208,199	-	-	-	-
3	2.1 General Service 0-10 kW	-	-	-	-	-	-	-	-
4	2.2 General Service 10-100 kW	1,578,832	509,645	914,450	154,737	-	-	-	-
5	2.3 General Service 110-1,000 kVa	367,210	89,516	272,983	4,710	-	-	-	-
6	4.1 Street and Area Lighting	64,087	13,262	19,399	31,426	-	-	-	-
7	Total L'Anse au Loup	5,979,022	2,072,231	3,287,888	618,902				
Labrador Interconnected									
8	Industrial - IOCC Firm	5,218,122	5,218,052	-	70	5,218,122	5,218,052	-	70
9	Industrial - IOCC Non-Firm	-	-	-	-	-	-	-	-
10	CFB - Goose Bay Secondary	19,653	-	19,653	-	19,653	-	19,653	-
Rural									
11	1.1 Domestic	207,512	44,651	4,368	158,494	239,480	51,529	5,040	182,910
12	1.1A Domestic All Electric	10,576,239	5,724,952	640,216	4,211,071	12,205,557	6,606,907	738,844	4,859,805
13	Subtotal Domestic	10,783,750	5,769,602	644,584	4,369,564	12,445,036	6,658,436	743,885	5,042,716
14	2.1 General Service 0-10 kW	359,155	92,979	13,603	252,573	414,485	107,303	15,699	291,484
15	2.2 General Service 10-100 kW	1,802,080	1,189,995	152,139	459,946	2,079,699	1,373,319	175,577	530,802
16	2.3 General Service 110-1,000 kVa	2,263,299	1,894,424	235,544	133,330	2,611,970	2,186,269	271,831	153,870
17	2.4 General Service Over 1,000 kVa	2,064,325	1,775,216	284,293	4,816	2,382,344	2,048,697	328,089	5,558
18	4.1 Street and Area Lighting	314,207	35,566	3,630	275,011	362,612	41,045	4,189	317,378
19	Subtotal Rural	17,586,817	10,757,783	1,333,792	5,495,241	20,296,146	12,415,069	1,539,269	6,341,808
20	Total Labrador Interconnected	22,824,593	15,975,836	1,353,446	5,495,311	25,533,922	17,633,121	1,558,923	6,341,878

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.3.2

Page 1 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills**

394

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
	Island Interconnected				
1	Newfoundland Power	15,122,049	5,924,100	1	12
2	Industrial - Firm	1,064,800	621,400	5	60
3	Industrial - Non-Firm	-	-	-	-
	Rural				
4	1.1 Domestic	-	109,735	11,538	138,450
5	1.12 Domestic All Electric	-	140,519	8,236	98,832
6	1.3 Special	-	345	1	12
7	2.1 General Service 0-10 kW	-	-	-	-
8	2.2 General Service 10-100 kW	125,618	75,684	2,908	34,894
9	2.3 General Service 110-1,000 kVa	178,664	60,203	92	1,103
10	2.4 General Service Over 1,000 kVa	110,944	36,122	8	96
11	4.1 Street and Area Lighting	-	2,800	947	11,364
12	Subtotal Rural	415,225	425,409	23,729	284,751
13	Total Island Interconnected	16,602,074	6,970,909	23,735	284,823

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.3.2

Page 2 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills**

Line No.	Rate Class	Units			
		Billing Demands (kW)	Sales (MWh)	Customers	Bills (Total No)
Isolated Systems:					
1	1.2 Domestic Diesel	-	26,265	2,768	33,217
2	2.1 General Service 0-10 kW	-	4,950	512	6,141
3	2.2 GS 10-100 kW	36,668	12,260	152	1,829
4	2.3 GS 110-1,000 kVa	15,307	3,212	7	84
5	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
6	Subtotal Metered Demand Classes	58,347	17,929	160	1,925
7	4.1 Street and Area Lighting	-	401	121	1,452
8	Total Isolated Systems	58,347	49,545	3,561	42,735
Island Isolated					
9	1.2 Domestic Diesel	-	5,352	698	8,376
10	2.1 General Service 0-10 kW	-	742	96	1,152
11	2.2 GS 10-100 kW	1,390	687	13	156
12	2.3 GS 110-1,000 kVa	1,322	350	1	12
13	2.4 General Service Over 1,000 kVa	-	-	-	-
14	4.1 Street and Area Lighting	-	100	38	456
15	Total Island Isolated	2,712	7,230	846	10,152
Labrador Isolated					
16	1.2 Domestic Diesel	-	20,913	2,070	24,841
17	2.1 General Service 0-10 kW	-	4,208	416	4,989
18	2.2 GS 10-100 kW	35,277	11,573	139	1,673
19	2.3 GS 110-1,000 kVa	13,985	2,862	6	72
20	2.4 General Service Over 1,000 kVa	6,372	2,457	1	12
21	4.1 Street and Area Lighting	-	301	83	996
22	Total Labrador Isolated	55,634	42,314	2,715	32,583

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.3.2

Page 3 of 3

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills**

Line No.	1 Rate Class	Units			
		2 Billing Demands (kW)	3 Sales (MWh)	4 Customers	5 Bills (Total No)
L'Anse au Loup					
1	1.1 Domestic	-	4,131	407	4,884
2	1.12 Domestic All Electric	-	10,576	386	4,632
3	2.1 General Service 0-10 kW	-	-	-	-
4	2.2 General Service 10-100 kW	17,600	6,458	209	2,508
5	2.3 General Service 110-1,000 kVa	7,844	1,912	5	60
6	4.1 Street and Area Lighting	-	136	33	390
7	Total L'Anse au Loup	25,444	23,213	1,040	12,474
Labrador Interconnected					
8	Industrial - IOCC Firm	3,240,000	1,790,000	1	12
9	Industrial - IOCC Non-Firm	-	-	-	-
10	CFB - Goose Bay Secondary	-	10,200	-	-
Rural					
11	1.1 Domestic	-	2,177	360	4,320
12	1.1A Domestic All Electric	-	315,013	9,442	113,304
13	Subtotal Domestic	-	317,190	9,802	117,624
14	2.1 General Service 0-10 kW	-	6,663	515	6,180
15	2.2 General Service 10-100 kW	246,126	74,304	728	8,730
16	2.3 General Service 110-1,000 kVa	342,935	114,720	164	1,971
17	2.4 General Service Over 1,000 kVa	295,333	141,252	6	72
18	4.1 Street and Area Lighting	-	1,787	385	4,620
19	Subtotal Rural	884,393	655,916	11,600	139,197
20	Total Labrador Interconnected	4,124,393	2,456,116	11,601	139,209

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Cost Calculations for Newfoundland Power

Line No.	1	2	3
Line No.	Description	Amount	Source
Newfoundland Power:			
Demand:			
1	Cost (\$/kW/mo.)	4.75	
2	Billing Units (kW)	15,122,049	Sch 1.3.2, pg 1, Ln 1, Col 2
3	Demand Revenue	\$71,829,733	Ln 1 * Ln 2
Energy (First Block):			
4	Total Revenue Requirement	\$446,155,054	Sch 1.2, pg 1, Ln 1, Col 7
5	Less: Demand Revenue	71,829,733	Ln 2 * Ln 3
6	Revenue Requirement to be Recovered Through Energy Rates	\$ 374,325,322	Ln 4 - Ln 5
Non-Fuel Energy Costs:			
7	Energy Revenue Requirement	235,479,983	Sch 1.3.1, pg 1, Ln 1, Col 4
Less Allocated Holyrood Fuel Costs			
8	Total Holyrood Fuel Costs	166,540,358	Sch 1.1, pg 1, Ln 2, Col 3
9	Newfoundland Power Trans. Energy Allocation Ratio	0.8452	Sch 3.1A, pg 1, Ln 14, Col 4
10	Allocated Holyrood Fuel Costs	140,754,084	Ln 8 * Ln 9
11	Non-Fuel Energy Costs:	\$ 65,340,844	Ln 7 - Ln 10
12	Customer Costs	\$ 4,225,123	Sch 1.3.1, pg 1, Ln 1, Col 5
13	First Block Energy Consumed (MWh)	3,000,000	
14	Cost (Mills/kWh)	23.19	Ln 11 + Ln 12 / Ln 13
Energy (Second Block):			
15	Total Revenue Requirement	\$446,155,054	Sch 1.2, pg 1, Ln 1, Col 7
16	Less: Demand Revenue	71,829,733	Ln 2 * Ln 3
17	Less: First Block Revenue	65,340,844	Ln 13 * Ln 14
18	Second Block Energy Revenue	\$304,759,354	
19	Second Block Energy Consumed (MWh)	2,924,100	
20	Cost (Mills/kWh)	104.22	Ln 18 / Ln 19
21	Average No. 6 Fuel Cost per Barrel	\$64.41	
22	Efficiency Factor (kWh per Barrel)	618	
23	Cost (Mills/kWh)	104.22	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Value of Newfoundland Power Thermal Generation Credit

Line No.	Description	Amount	Source
1	Island Interconnected System:		
2	Generation demand costs (\$)	135,855,835	Sch 2.1A, C. 3, Ln 24
3	Coincident peak (kW)	1,464,218	Sch 3.1A, C. 3, Ln 13
4	Generation demand costs (\$/kW)	<u>92.78</u>	Ln 2 / Ln 3
5	NP thermal generation capacity credit (kW)	<u>33,386</u>	⁽¹⁾
6	Gross value of credit to NP (\$)	<u>3,097,553</u>	Ln 4 x Ln 5
7	Less NP's cost share:		
8	Percentage	<u>88.85%</u>	Sch 3.1A, C. 5, Ln 14
9	Amount (\$)	<u>(2,752,304)</u>	Ln 6 x Ln 8
10	Net value of credit to NP (\$)	<u><u>345,249</u></u>	Ln 6 - Ln 9
	⁽¹⁾ NP gas turbine and diesel generation capacity (kW)	37,826	
	+ System reserve	<u>1.13</u>	
	NP thermal generation capacity credit (kW)	<u><u>33,386</u></u>	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.6

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Calculation of Firming Up Charge**

	1	2	3	4
Line No.	Description	Total	Gas Turbine	Transmission & Terminals
1	Operating & Maintenance	11,846,986	6,324,023	5,522,963
2	O&M Overhead	9,261,771	4,483,085	4,778,685
3	Depreciation	11,401,819	4,984,291	6,417,528
4	Return	22,613,486	10,079,460	12,534,025
5	Total	55,124,061	25,870,860	29,253,201
6	Capacity (kW)		223,500	1,742,100
7	Cost (\$/kW)	\$132.55	\$115.75	\$16.79
8	Rate (\$/kWh)	\$0.02882		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 1.7

Page 1 of 1

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Calculation of Transmission Wheeling Charge**

	1	2
Line No.	Description	
1	Island Interconnected Transmission Revenue Requirement	29,621,532
2	Transmission Energy Output (MWh)	7,009,400
3	Rate (\$/kWh)	\$0.00423

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Customer (\$)		10 Line Transformers Demand (\$)		11 Customer (\$)		12 Secondary Lines Demand (\$)		
Expenses																		
1	Operating & Maintenance	100,888,350	43,468,688	22,314,087	10,301,648	3,796,736	1,327,509	6,574,588	1,705,360	412,367	729,924	978,425	1,068,569	442,293	443,331	149,086	2,715,624	2,391,488
2	Fuels-No. 6 Fuel	166,540,358	-	166,540,358	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	87,140	87,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	3,473,690	3,473,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Supply Deferral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Power Purchases-Other	58,109,820	21,243,193	36,173,623	-	693,003	-	-	-	-	-	-	-	-	-	-	-	-
8	Depreciation	55,708,988	24,873,886	15,586,227	6,417,528	2,634,480	641,186	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	1,187,781
Expense Credits																		
9	Sundry	(505,195)	(217,668)	(111,737)	(51,585)	(19,012)	(6,647)	(32,922)	(8,540)	(2,065)	(3,655)	(4,899)	(5,351)	(2,215)	(2,220)	(747)	(13,598)	(11,975)
10	Building Rental Income	(17,472)	(6,795)	(5,229)	(2,318)	(936)	(196)	(775)	(201)	(49)	(86)	(115)	(126)	(52)	(43)	(18)	-	(534)
11	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Suppliers' Discounts	(78,703)	(33,910)	(17,407)	(8,036)	(2,962)	(1,036)	(5,129)	(1,330)	(322)	(569)	(763)	(834)	(345)	(346)	(116)	(2,118)	(1,866)
13	Pole Attachments	(1,263,389)	-	-	-	-	-	(730,679)	(249,711)	-	-	(129,331)	(153,669)	-	-	-	-	-
14	Secondary Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Application Fees	(11,476)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,476)	-
17	Meter Test Revenues	(2,075)	-	-	-	-	-	-	-	-	-	-	-	-	(2,075)	-	-	-
18	Total Expense Credits	(1,878,310)	(258,373)	(134,374)	(61,939)	(22,909)	(7,879)	(769,504)	(259,782)	(2,435)	(4,311)	(135,109)	(159,979)	(2,612)	(4,683)	(880)	(27,193)	(14,375)
19	Subtotal Expenses	382,930,036	92,888,225	240,479,921	16,657,237	7,101,310	1,960,816	7,671,362	1,954,838	632,998	1,120,458	1,130,793	1,226,765	594,074	710,721	287,360	2,891,614	3,564,894
20	Disposal Gain / Loss	3,555,647	1,418,513	1,167,105	430,270	157,570	35,155	129,337	37,243	10,103	17,883	22,316	24,388	13,393	8,083	3,153	5,435	75,702
21	Subtotal Revenue Requirement Ex. Return	386,485,683	94,306,738	241,647,027	17,087,507	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	3,640,596
22	Return on Debt	77,264,792	30,180,268	26,534,616	9,104,415	3,339,394	744,776	2,745,180	788,948	213,604	378,097	472,387	516,228	282,308	171,262	66,823	116,402	1,610,084
23	Return on Equity	29,105,451	11,368,830	9,995,522	3,429,610	1,257,941	280,555	1,034,102	297,195	80,464	142,428	177,947	194,462	106,345	64,514	25,172	43,849	606,515
24	Total Revenue Reqmt	492,855,926	135,855,835	278,177,165	29,621,532	11,856,215	3,021,301	11,579,980	3,078,224	937,169	1,658,867	1,803,443	1,961,842	996,119	954,579	382,507	3,057,299	5,857,195

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	19		20	21
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
Expenses					
1	Operating & Maintenance	1,357,786	710,839	Carryforward from Sch.2.4 L.30	
2	Fuels-No. 6 Fuel	-	-	Production - Demand, Energy ratios Sch.4.1 L.10	
3	Fuels-Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.12	
4	Fuels-Gas Turbine	-	-	Production - Demand, Energy ratios Sch.4.1 L.11	
5	Fuel Supply Deferral				
6	Power Purchases -CF(L)Co	-	-		
7	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.8	
8	Depreciation	-	-	Carryforward from Sch.2.5 L.40	
Expense Credits					
9	Sundry	(6,799)	(3,560)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
10	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.34	
11	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
12	Suppliers' Discounts	(1,059)	(555)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.30	
13	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
14	Secondary Energy	-	-	Production - Energy	
15	Wheeling Revenues	-	-	Transmission - Demand	
16	Application Fees	-	-	Accounting - Customer	
17	Meter Test Revenues	-	-	Meters - Customer	
18	Total Expense Credits	(7,858)	(4,114)		
19	Subtotal Expenses	1,349,927	706,725		
20	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.40	
21	Subtotal Revenue Requirement				
	Ex. Return	1,349,927	706,725		
22	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.9	
23	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.11	
24	Total Revenue Reqmt	1,349,927	706,725		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected**

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting (\$)	18 Specifically Assigned Customer (\$)	
							7 Substations		8 Primary Lines		9 Line Transformers		10 Secondary Lines		11 Services	12 Meters			13 Street Lighting
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)			Demand (\$)
Production																			
Hydraulic																			
1	Bay D'Espoir	224,163,991	100,704,132	123,459,859	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	174,849,492	78,549,933	96,299,560	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	82,714,770	37,159,042	45,555,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	272,937,726	122,615,397	150,322,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	22,264,052	10,001,972	12,262,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	112,087,573	50,354,572	61,733,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Hydraulic	5,330,264	2,394,585	2,935,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	894,347,869	401,779,633	492,568,236	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	256,920,692	185,599,508	71,321,184	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	155,106,747	155,106,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	10,395,824	10,395,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	1,316,771,131	752,881,711	563,889,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																			
14	Lines	286,645,674	-	-	162,412,792	87,840,416	-	-	-	-	-	-	-	-	-	-	-	36,392,465	
15	Lines - Hydraulic	55,792,306	25,064,310	30,727,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Terminal Stations	160,127,899	-	-	110,982,351	22,520,123	-	-	-	-	-	-	-	-	-	-	-	26,625,425	
17	Term Stns - Hydraulic	35,992,419	16,169,347	19,823,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Term Stns - Holyrood	8,772,062	6,336,937	2,435,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Term Stns - Gas Tur/Dsl	700,311	700,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Term Stns - Distribution	13,916,403	-	-	-	-	13,916,403	-	-	-	-	-	-	-	-	-	-	-	
21	Subtotal Term Stns	219,509,093	23,206,595	22,258,197	110,982,351	22,520,123	13,916,403	-	-	-	-	-	-	-	-	-	-	26,625,425	
22	Subtotal Transmission	561,947,073	48,270,905	52,986,192	273,395,144	110,360,539	13,916,403	-	-	-	-	-	-	-	-	-	-	63,017,890	
Distribution																			
23	Substations	9,597,162	414,826	-	-	-	9,182,337	-	-	-	-	-	-	-	-	-	-	-	
24	Land & Land Improvements	3,994,373	-	-	-	-	-	3,011,558	383,660	-	-	349,308	249,848	-	-	-	-	-	
25	Poles	105,894,476	-	-	-	-	-	61,243,858	20,930,255	-	-	10,840,206	12,880,157	-	-	-	-	-	
26	Primary Conductor & Eqpt	21,201,429	-	-	-	-	-	18,805,668	2,395,762	-	-	-	-	-	-	-	-	-	
27	Submarine Conductor	8,345,651	-	-	-	-	-	8,345,651	-	-	-	-	-	-	-	-	-	-	
28	Transformers	15,881,322	-	-	-	-	-	-	-	5,733,157	10,148,165	-	-	-	-	-	-	-	
29	Secondary Conductor&Eqpt	4,139,916	-	-	-	-	-	-	-	-	-	2,413,571	1,726,345	-	-	-	-	-	
30	Services	6,149,220	-	-	-	-	-	-	-	-	-	-	-	6,149,220	-	-	-	-	
31	Meters	5,035,413	-	-	-	-	-	-	-	-	-	-	-	-	-	5,035,413	-	-	
32	Street Lighting	2,072,755	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072,755	-	
33	Subtotal Distribution	182,311,718	414,826	-	-	-	9,182,337	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	-	
34	Subtll Prod, Trans, & Dist	2,061,029,922	801,567,441	616,875,613	273,395,144	110,360,539	23,098,739	91,406,735	23,709,676	5,733,157	10,148,165	13,603,085	14,856,350	6,149,220	5,035,413	2,072,755	-	63,017,890	
35	General	185,063,996	84,755,553	42,619,321	16,482,878	5,867,173	2,332,857	11,965,798	3,103,767	750,511	1,328,468	1,780,742	1,944,803	804,977	846,236	271,338	6,373,405	3,836,168	
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	
38	Feasibility Studies - General	200,794	78,092	60,098	26,635	10,752	2,250	8,905	2,310	559	989	1,325	1,447	599	491	202	-	6,139	
39	Software - General	4,159,436	1,617,671	1,244,938	551,748	222,722	46,616	184,471	47,849	11,570	20,480	27,453	29,982	12,410	10,162	4,183	-	127,179	
40	Total Plant	2,251,193,572	888,758,182	660,799,970	290,456,405	116,461,186	25,480,463	103,565,909	26,863,602	6,495,798	11,498,102	15,412,605	16,832,583	6,967,206	5,892,302	2,348,478	6,373,405	66,987,376	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.2A

Page 2 of 2

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected**

Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D)

Line No.	1	19
	Description	Basis of Functional Classification
	Production	
	Hydraulic	
1	Bay D'Espoir	Production - Demand, Energy ratios Sch.4.1 L.1
2	Upper Salmon	Production - Demand, Energy ratios Sch.4.1 L.1
3	Hinds Lake	Production - Demand, Energy ratios Sch.4.1 L.1
4	Cat Arm	Production - Demand, Energy ratios Sch.4.1 L.1
5	Paradise River	Production - Demand, Energy ratios Sch.4.1 L.1
6	Granite Canal	Production - Demand, Energy ratios Sch.4.1 L.1
7	Other Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.1, 2
8	Subtotal Hydraulic	
9	Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
10	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.4
11	Roddickton	Production - Demand, Energy ratios Sch.4.1 L.3
12	Diesel	Production - Demand, Energy ratios Sch.4.1 L.5
13	Subtotal Production	
	Transmission	
14	Lines	Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
15	Lines - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.17
16	Terminal Stations	Production - Demand, Energy subtotals, L. 13; Transmission - Demand; Spec Assigned - Custmr
17	Term Stns - Hydraulic	Production - Demand, Energy ratios Sch.4.1 L.20
18	Term Stns - Holyrood	Production - Demand, Energy ratios Sch.4.1 L.21
19	Term Stns - Gas Tur/Dsl	Production - Demand, Energy ratios Sch.4.1 L.22, 23
20	Term Stns - Distribution	Distribution - Substations Demand
21	Subtotal Term Stns	
22	Subtotal Transmission	
	Distribution	
23	Substations	Production - Demand; Dist Substns - Demand
24	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
25	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
26	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
27	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
28	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
29	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
30	Services	Services Customer
31	Meters	Meters - Customer
32	Street Lighting	Street Lighting - Customer
33	Subtotal Distribution	
34	Subtl Prod, Trans, & Dist	
35	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.15, 16
36	Telecontrol - Custmr & Spec	Specifically Assigned - Customer
37	Feasibility Studies	Production, Transmission - Demand
38	Feasibility Studies - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
39	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.34
40	Total Plant	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Net Book Value

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)		
Production																		
Hydraulic																		
1	Bay D'Espoir	159,292,385	71,561,009	87,731,376	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Upper Salmon	150,562,745	67,639,278	82,923,467	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Hinds Lake	68,558,878	30,799,605	37,759,274	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Cat Arm	236,005,894	106,024,026	129,981,868	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Paradise River	18,634,236	8,371,302	10,262,933	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Granite Canal	99,568,098	44,730,284	54,837,814	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other Small Hydraulic	3,369,380	1,513,671	1,855,709	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal Hydraulic	735,991,616	330,639,175	405,352,441	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Holyrood	65,594,001	47,385,107	18,208,895	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Gas Turbines	134,651,525	134,651,525	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Diesel	3,510,510	3,510,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Subtotal Production	939,747,652	516,186,316	423,561,336	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
14	Lines	168,220,778	-	-	103,496,354	47,180,089	-	-	-	-	-	-	-	-	-	-	17,544,336	
15	Lines - Hydraulic	45,062,465	20,244,002	24,818,462	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Terminal Stations	93,051,056	-	-	66,096,677	14,985,747	-	-	-	-	-	-	-	-	-	-	11,968,632	
17	Term Stns - Hydraulic	21,686,911	9,742,696	11,944,215	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Term Stns - Holyrood	1,522,380	1,099,767	422,613	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Term Stns - Gas Tur/Dsl	400,885	400,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Term Stns - Distribution	9,753,683	-	-	-	-	9,753,683	-	-	-	-	-	-	-	-	-	-	
21	Subtotal Term Stns	126,414,915	11,243,348	12,366,828	66,096,677	14,985,747	9,753,683	-	-	-	-	-	-	-	-	-	11,968,632	
22	Subtotal Transmission	339,698,158	31,487,350	37,185,290	169,593,030	62,165,835	9,753,683	-	-	-	-	-	-	-	-	-	29,512,968	
Distribution																		
23	Substations	3,895,381	135,275	-	-	-	3,760,106	-	-	-	-	-	-	-	-	-	-	
24	Land & Land Improvements	2,670,404	-	-	-	-	-	2,013,351	256,492	-	-	233,527	167,034	-	-	-	-	
25	Poles	66,098,651	-	-	-	-	-	38,228,022	13,064,530	-	-	6,766,387	8,039,711	-	-	-	-	
26	Primary Conductor & Eqpt	6,865,462	-	-	-	-	-	6,089,665	775,797	-	-	-	-	-	-	-	-	
27	Submarine Conductor	2,211,614	-	-	-	-	-	2,211,614	-	-	-	-	-	-	-	-	-	
28	Transformers	10,680,793	-	-	-	-	-	-	3,855,766	6,825,027	-	-	-	-	-	-	-	
29	Secondary Conductor&Eqpt	2,529,075	-	-	-	-	-	-	-	-	1,474,451	1,054,624	-	-	-	-	-	
30	Services	5,177,339	-	-	-	-	-	-	-	-	-	-	5,177,339	-	-	-	-	
31	Meters	2,999,527	-	-	-	-	-	-	-	-	-	-	-	2,999,527	-	-	-	
32	Street Lighting	1,190,297	-	-	-	-	-	-	-	-	-	-	-	-	1,190,297	-	-	
33	Subtotal Distribution	104,318,541	135,275	-	-	-	3,760,106	48,542,652	14,096,820	3,855,766	6,825,027	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	
34	Subttl Prod, Trans, & Dist	1,383,764,351	547,808,941	460,746,626	169,593,030	62,165,835	13,513,789	48,542,652	14,096,820	3,855,766	6,825,027	8,474,364	9,261,369	5,177,339	2,999,527	1,190,297	-	
35	General	64,497,334	29,538,469	14,853,416	5,744,509	2,044,790	813,033	4,170,244	1,081,705	261,564	462,989	620,613	677,790	280,546	294,925	94,565	2,221,219	
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	Feasibility Studies	739,425	739,425	-	-	-	0	-	-	-	-	-	-	-	-	-	-	
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39	Software - General	4,223,096	1,671,852	1,406,148	517,579	189,723	41,243	148,147	43,022	11,767	20,829	25,863	28,265	15,801	9,154	3,633	90,070	
40	Total Net Book Value	1,453,224,206	579,758,687	477,006,190	175,855,118	64,400,349	14,368,064	52,861,043	15,221,547	4,129,097	7,308,845	9,120,840	9,967,424	5,473,685	3,303,606	1,288,495	2,221,219	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Functional Classification of Operating & Maintenance Expense

Line No.	Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18		
		Total	Production	Production and	Transmission	Rural Prod &	Distribution														Specifically
		Amount	Demand	Transmission Energy	Demand	Transmission Demand	Substations Demand	Primary Lines Demand	Customer	Line Transformers Demand	Customer	Secondary Lines Demand	Customer	Services Customer	Meters Customer	Street Lighting Customer	Accounting Customer	Assigned Customer			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)		
Production																					
1	Hydraulic	12,112,026	5,441,244	6,670,781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Holyrood / Thermal	19,459,003	14,057,184	5,401,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Gas Turbine	5,995,298	5,995,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Diesel	362,481	362,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Other	2,635,738	1,507,019	1,128,719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Subtotal Production	40,564,546	27,363,226	13,201,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transmission																					
8	Transmission Lines	3,910,236	286,205	350,877	1,854,562	1,003,033	-	-	-	-	-	-	-	-	-	-	-	-	415,559		
9	Terminal Stations	5,102,709	539,461	517,414	2,579,896	523,503	323,501	-	-	-	-	-	-	-	-	-	-	-	618,935		
10	Other	2,237,357	192,188	210,961	1,088,506	439,394	55,407	-	-	-	-	-	-	-	-	-	-	-	250,902		
11	Subtotal Transmission	11,250,301	1,017,853	1,079,253	5,522,963	1,965,930	378,908	-	-	-	-	-	-	-	-	-	-	-	1,285,395		
Distribution																					
12	Other	7,775,946	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	-	90,918	-	-	-		
13	Meters	283,551	-	-	-	-	-	-	-	-	-	-	-	-	283,551	-	-	-	-		
14	Subtotal Distribution	8,059,497	18,196	-	-	-	402,769	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	-		
15	Subttl Prod, Trans, & Dist	59,874,344	28,399,275	14,280,572	5,522,963	1,965,930	781,677	4,009,413	1,039,988	251,476	445,133	596,678	651,650	269,726	283,551	90,918	-	-	1,285,395		
16	Customer Accounting	2,135,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,135,554	-		
Administrative & General:																					
Plant-Related:																					
17	Production	6,089,665	3,481,848	2,607,816	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Prod - Gas Turb & Diesel	1,583,881	1,583,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Transmission	5,300,429	455,304	499,779	2,578,733	1,040,949	131,263	-	-	-	-	-	-	-	-	-	-	-	594,401		
20	Distribution	2,446,265	5,566	-	-	-	123,209	1,226,499	318,137	76,928	136,168	182,527	199,343	82,510	67,565	27,812	-	-	-		
21	Prod, Trans, Distn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	Prod, Trans, Distn and General Plant	343,528	135,623	100,837	44,323	17,772	3,888	15,804	4,099	991	1,755	2,352	2,569	1,063	899	358	973	10,222			
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	1,425,303	335,564	83,012	428,322	172,899	36,188	143,205	37,145	8,982	15,899	21,312	23,275	9,634	7,889	3,247	-	-	98,729		
24	Property Insurance	1,595,772	794,003	579,666	117,511	26,171	23,446	11,031	2,861	692	1,225	1,642	1,793	742	780	250	5,876	28,083			
Revenue-Related:																					
25	Municipal Tax	1,357,786	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
26	PUB Assessment	710,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
27	All Expense-Related	16,644,581	7,622,880	3,833,165	1,482,463	527,691	209,816	1,076,199	279,152	67,501	119,482	160,159	174,915	72,399	76,110	24,404	573,221	345,023			
28	Prod, Trans, and Distn Expense-Related	1,380,404	654,746	329,239	127,332	45,325	18,022	92,437	23,977	5,798	10,263	13,756	15,024	6,219	6,537	2,096	-	-	29,635		
29	Subtotal Admin & General	38,878,452	15,069,414	8,033,515	4,778,685	1,830,806	545,832	2,565,175	665,372	160,891	284,791	381,748	416,918	172,567	159,781	58,168	580,070	1,106,093			
30	Total Operating & Maintenance Expenses	100,888,350	43,468,688	22,314,087	10,301,648	3,796,736	1,327,509	6,574,588	1,705,360	412,367	729,924	978,425	1,068,569	442,293	443,331	149,086	2,715,624	2,391,488			

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		19 Municipal Tax	20 PUB Assessment	
	Production			
1	Hydraulic	-	-	Prorated on Hydraulic Plant in Service - Sch.2.2 L.8
2	Holyrood / Thermal	-	-	Prorated on Holyrood Plant in Service - Sch.2.2 L.9
3	Roddickton	-	-	Prorated on Roddickton Plant in Service - Sch.2.2 L.11
4	Gas Turbine	-	-	Prorated on Gas Turbines Plant in Service - Sch.2.2 L.10
5	Diesel	-	-	Prorated on Diesel Plant in Service - Sch.2.2 L.12
6	Other	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
7	Subtotal Production	-	-	
	Transmission			
8	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.14, 15
9	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.21
10	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
11	Subtotal Transmission	-	-	
	Distribution			
12	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 33, less L. 31
13	Meters	-	-	Meters - Customer
14	Subtotal Distribution	-	-	
15	Subttl Prod, Trans, & Dist	-	-	
16	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
17	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.13
18	Prod - Gas Turb & Diesel	-	-	Prorated on Gas Turbine & Diesel Production Plant in Service - Sch.2.2 L.10, 12
19	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.22
20	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.33
21	Prod, Trans, Distn	-	-	Prorated on Prod, Trans & Distribution Plant in Service - Sch.2.2 L.34
22	Prod, Trans, Distn and General Plant	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 40
23	Prod, Trans, Distn, Excl Hydraulic & Holyrood	-	-	Prorated on Total Plant in Service, Sch. 2.2, L. 34 Less L. 8 and L. 9
24	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.13, 21, 23, 35 - 36
	Revenue-Related:			
25	Municipal Tax	1,357,786	-	Revenue-related
26	PUB Assessment	-	710,839	Revenue-related
27	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 15, 16
28	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L 15
29	Subtotal Admin & General	1,357,786	710,839	
30	Total Operating & Maintenance Expenses	1,357,786	710,839	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Functional Classification of Depreciation Expense

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Rural Prod & Transmission Demand (\$)	6 Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)										
							7 Substations Demand (\$)		8 Primary Lines Demand (\$)		9 Customer (\$)		10 Line Transformers Demand (\$)		11 Customer (\$)				12 Secondary Lines Demand (\$)		13 Customer (\$)		14 Services Customer (\$)		15 Meters Customer (\$)		16 Street Lighting Customer (\$)	
Production																												
Hydraulic																												
1	Bay D'Espoir	4,592,375	2,063,093	2,529,282	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
2	Upper Salmon	3,044,289	1,367,626	1,676,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
3	Hinds Lake	1,408,226	632,636	775,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
4	Cat Arm	5,429,147	2,439,007	2,990,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
5	Paradise River	454,623	204,236	250,387	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
6	Granite Canal	2,418,851	1,086,652	1,332,199	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
7	Other Small Hydraulic	79,620	35,769	43,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
8	Subtotal Hydraulic	17,427,132	7,829,019	9,598,112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
9	Holyrood	11,510,648	8,315,292	3,195,356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
10	Gas Turbines	4,293,739	4,293,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
11	Roddickton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
12	Diesel	124,574	124,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
13	Subtotal Production	33,356,092	20,562,624	12,793,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
Transmission																												
14	Lines	5,911,528	-	-	3,586,621	1,708,499	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	616,408						
15	Lines - Hydraulic	1,399,044	628,511	770,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
16	Terminal Stations	3,331,774	-	-	2,204,149	696,864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,761						
17	Term Stns - Hydraulic	728,807	327,412	401,396	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
18	Term Stns - Holyrood	63,247	45,689	17,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
19	Term Stns - Gas Tur/Dsl	14,370	14,370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
20	Term Stns - Distribution	398,412	-	-	-	-	398,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
21	Subtotal Term Stns	4,536,610	387,471	418,953	2,204,149	696,864	398,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,761						
22	Subtotal Transmission	11,847,183	1,015,982	1,189,486	5,790,770	2,405,363	398,412	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,047,169						
Distribution																												
23	Substations	163,174	4,515	-	-	-	158,659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
24	Land & Land Improvements	70,663	-	-	-	-	-	53,277	6,787	-	-	6,179	4,420	-	-	-	-	-	-	-	-	-						
25	Poles	1,850,616	-	-	-	-	-	1,070,300	365,778	-	-	189,444	225,094	-	-	-	-	-	-	-	-	-						
26	Primary Conductor & Eqpt	271,631	-	-	-	-	-	240,936	30,694	-	-	-	-	-	-	-	-	-	-	-	-	-						
27	Submarine Conductor	94,774	-	-	-	-	-	94,774	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
28	Transformers	542,150	-	-	-	-	-	-	-	195,716	346,434	-	-	-	-	-	-	-	-	-	-	-						
29	Secondary Conductor&Eqpt	53,374	-	-	-	-	-	-	-	-	-	31,117	22,257	-	-	-	-	-	-	-	-	-						
30	Services	126,517	-	-	-	-	-	-	-	-	-	-	-	126,517	-	-	-	-	-	-	-	-						
31	Meters	240,881	-	-	-	-	-	-	-	-	-	-	-	-	240,881	-	-	-	-	-	-	-						
32	Street Lighting	128,260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,260	-	-	-	-	-						
33	Subtotal Distribution	3,542,041	4,515	-	-	-	158,659	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	-	-	-	-							
34	Subtl Prod, Trans, & Dist	48,745,315	21,583,121	13,982,954	5,790,770	2,405,363	557,071	1,459,287	403,259	195,716	346,434	226,741	251,771	126,517	240,881	128,260	-	-	-	-	1,047,169							
35	General	5,899,788	2,701,983	1,358,692	525,470	187,044	74,371	381,466	98,947	23,926	42,351	56,770	62,000	25,662	26,978	8,650	203,182	122,296	-	-	-	-						
36	Telecontrol - Custmr & Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
37	Feasibility Studies	211,264	211,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
38	Feasibility Studies - General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
39	Software - General	852,621	377,518	244,581	101,288	42,073	9,744	25,525	7,054	3,423	6,060	3,966	4,404	2,213	4,213	2,243	-	-	-	-	18,316							
40	Total Deprecn Expense	55,708,988	24,873,886	15,586,227	6,417,528	2,634,480	641,186	1,866,278	509,260	223,065	394,844	287,476	318,175	154,393	272,072	139,154	203,182	1,187,781	-	-	-	-						

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	Distribution										17 Accounting Customer (\$)	18 Specifically Assigned Customer (\$)
							7 Substations Demand (\$)	8 Primary Lines		10 Line Transformers		12 Secondary Lines		14 Services Customer (\$)	15 Meters Customer (\$)	16 Street Lighting Customer (\$)		
								8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)					
1	Average Net Book Value	1,453,224,206	579,758,687	477,006,190	175,855,118	64,400,349	14,368,064	52,861,043	15,221,547	4,129,097	7,308,845	9,120,840	9,967,424	5,473,685	3,303,606	1,288,495	2,221,219	30,939,996
2	Cash Working Capital	6,340,530	2,529,532	2,081,215	767,270	280,984	62,689	230,637	66,413	18,016	31,889	39,795	43,489	23,882	14,414	5,622	9,691	134,994
3	Fuel Inventory - No. 6 Fuel	39,681,050	-	39,681,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	186,223	186,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	3,992,487	3,992,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	24,359,458	9,616,973	7,150,309	3,142,937	1,260,190	275,716	1,120,654	290,683	70,289	124,417	166,775	182,140	75,390	63,759	25,412	68,965	724,849
7	Deferred Charges: Holyrood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	81,691,649	32,590,596	26,814,460	9,885,532	3,620,206	807,687	2,971,534	855,665	232,113	410,860	512,720	560,309	307,698	185,709	72,432	124,864	1,739,263
9	Total Rate Base	1,609,475,602	628,674,498	552,733,224	189,650,857	69,561,728	15,514,157	57,183,868	16,434,308	4,449,515	7,876,011	9,840,129	10,753,362	5,880,655	3,567,488	1,391,960	2,424,739	33,539,102
10	Less: Rural Asset Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Rate Base Available for Equity Return	1,609,475,602	628,674,498	552,733,224	189,650,857	69,561,728	15,514,157	57,183,868	16,434,308	4,449,515	7,876,011	9,840,129	10,753,362	5,880,655	3,567,488	1,391,960	2,424,739	33,539,102
12	Return on Debt	77,264,792	30,180,268	26,534,616	9,104,415	3,339,394	744,776	2,745,180	788,948	213,604	378,097	472,387	516,228	282,308	171,262	66,823	116,402	1,610,084
13	Return on Equity	29,105,451	11,368,830	9,995,522	3,429,610	1,257,941	280,555	1,034,102	297,195	80,464	142,428	177,947	194,462	106,345	64,514	25,172	43,849	606,515
14	Return on Rate Base	106,370,243	41,549,098	36,530,139	12,534,025	4,597,335	1,025,331	3,779,282	1,086,143	294,068	520,526	650,334	710,690	388,653	235,775	91,995	160,251	2,216,599

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.6A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	19 Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 40
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Demand, Energy ratios Sch.4.1 L.10
4	Fuel Inventory - Diesel	Production - Demand, Energy ratios Sch.4.1 L.12
5	Fuel Inventory - Gas Turbine	Production - Demand, Energy ratios Sch.4.1 L.11
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 40
7	Deferred Charges: Holyrood	Production - Demand, Energy ratios Sch.4.1 L.3
8	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
9	Total Rate Base	
10	Less: Rural Asset Portion	N/A
11	Rate Base Available for Equity Return	
12	Return on Debt	L.9 x Sch.1.1,p2,L.14
13	Return on Equity	L.11 x Sch.1.1,p2,L.17
14	Return on Rate Base	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (1 CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Rural Prod & Transmission Demand (CP kW)	Distribution										17 Accounting Customer (Rural Cust)	18 Specifically Assigned Customer
							7 Substations Demand (CP kW)	8 Primary Lines Demand (CP kW)		9 Customer (Rural Cust)		10 Line Transformers Demand (CP kW)		11 Customer (Rural Cust)		12 Secondary Lines Demand (CP kW)		
Amounts																		
1	Newfoundland Power	-	1,296,985	6,118,065	1,288,081	-	-	-	-	-	-	-	-	-	-	-	-	
2	Industrial - Firm	-	75,597	641,746	73,040	-	-	-	-	-	-	-	-	-	-	-	-	
3	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
4	1.1 Domestic	-	24,404	123,746	23,579	23,579	22,367	22,367	11,538	20,572	11,538	20,572	11,538	11,538	11,538	-	11,538	
5	1.12 Domestic All Electric	-	32,264	158,460	31,173	31,173	29,571	29,571	8,236	27,197	8,236	27,197	8,236	8,236	8,236	-	8,236	
6	1.3 Special	-	103	389	99	99	94	94	1	87	1	87	1	1	1	-	1	
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.2 GS 10-100 kW	-	14,958	85,347	14,452	14,452	13,709	13,709	2,908	12,609	2,908	12,609	2,908	13,871	13,871	-	2,908	
9	2.3 GS 110-1,000 kVa	-	12,610	67,875	12,184	12,184	11,558	11,558	92	10,589	92	10,589	92	774	774	-	92	
10	2.4 GS Over 1,000 kVa	-	6,505	40,115	6,285	6,285	5,962	5,962	8	3,987	8	3,987	8	67	67	-	8	
11	4.1 Street and Area Lighting	-	791	3,157	765	765	725	725	947	667	947	667	947	-	-	1	947	
12	Subtotal Rural	-	91,636	479,089	88,537	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	
13	Total	-	1,464,218	7,238,900	1,449,658	88,537	83,988	83,988	23,729	75,706	23,729	75,706	23,729	34,487	34,487	1	23,729	
Ratios Excluding Return on Equity																		
14	Newfoundland Power	-	0.8858	0.8452	0.8885	-	-	-	-	-	-	-	-	-	-	-	-	
15	Industrial - Firm	-	0.0516	0.0887	0.0504	-	-	-	-	-	-	-	-	-	-	-	-	
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																		
17	1.1 Domestic	-	0.0167	0.0171	0.0163	0.2663	0.2663	0.2663	0.4862	0.2717	0.4862	0.2717	0.4862	0.3346	0.3346	-	0.4862	
18	1.12 Domestic All Electric	-	0.0220	0.0219	0.0215	0.3521	0.3521	0.3521	0.3471	0.3592	0.3471	0.3592	0.3471	0.2388	0.2388	-	0.3471	
19	1.3 Special	-	0.0001	0.0001	0.0001	0.0011	0.0011	0.0011	0.0000	0.0011	0.0000	0.0011	0.0000	0.0000	0.0000	-	0.0000	
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.2 GS 10-100 kW	-	0.0102	0.0118	0.0100	0.1632	0.1632	0.1632	0.1225	0.1665	0.1225	0.1665	0.1225	0.4022	0.4022	-	0.1225	
22	2.3 GS 110-1,000 kVa	-	0.0086	0.0094	0.0084	0.1376	0.1376	0.1376	0.0039	0.1399	0.0039	0.1399	0.0039	0.0224	0.0224	-	0.0039	
23	2.4 GS Over 1,000 kVa	-	0.0044	0.0055	0.0043	0.0710	0.0710	0.0710	0.0003	0.0527	0.0003	0.0527	0.0003	0.0020	0.0020	-	0.0003	
24	4.1 Street and Area Lighting	-	0.0005	0.0004	0.0005	0.0086	0.0086	0.0086	0.0399	0.0088	0.0399	0.0088	0.0399	-	-	1.0000	0.0399	
25	Subtotal Rural	-	0.0626	0.0662	0.0611	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
26	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.1A
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D)

Line No.	1 Description	19 20 Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	Newfoundland Power	-	447,430,477
2	Industrial - Firm	-	16,126,195
3	Industrial - Non-Firm	-	4,881
Rural			
4	1.1 Domestic	13,662,764	13,662,764
5	1.12 Domestic All Electric	17,059,306	17,059,306
6	1.3 Special	19,235	19,235
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	9,534,018	9,534,018
9	2.3 GS 110-1,000 kVa	6,258,109	6,258,109
10	2.4 GS Over 1,000 kVa	3,348,569	3,348,569
11	4.1 Street and Area Lighting	1,030,113	1,030,113
12	Subtotal Rural	50,912,113	50,912,113
13	Total	50,912,113	514,473,667
Ratios Excluding Return on Equity			
14	Newfoundland Power	-	0.8697
15	Industrial - Firm	-	0.0313
16	Industrial - Non-Firm	-	0.0000
Rural			
17	1.1 Domestic	0.2684	0.0266
18	1.12 Domestic All Electric	0.3351	0.0332
19	1.3 Special	0.0004	0.0000
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	0.1873	0.0185
22	2.3 GS 110-1,000 kVa	0.1229	0.0122
23	2.4 GS Over 1,000 kVa	0.0658	0.0065
24	4.1 Street and Area Lighting	0.0202	0.0020
25	Subtotal Rural	1.0000	0.0990
26	Total	1.0000	1.0000

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected**

Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount	2 Production Demand (\$)	3 Production and Transmission Energy (\$)	4 Transmission Demand (\$)	5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	7-17 Distribution										18 Specifically Assigned Customer (\$)		
								7 Substations Demand (\$)		8 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		10 Secondary Lines Demand (\$)		11 Services Customer (\$)	12 Meters Customer (\$)		13 Street Lighting Customer (\$)	14 Accounting (\$)
								Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)			
Allocated Rev Reqmt Excl Return																				
1	Newfoundland Power	305,973,876	83,535,651	204,231,613	15,182,956	-	-	-	-	-	-	-	-	-	-	-	-	2,409,028		
2	Industrial - Firm	28,406,256	4,869,011	21,422,583	860,942	-	-	-	-	-	-	-	-	-	-	-	-	1,231,568		
3	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																				
4	1.1 Domestic	15,374,607	1,571,831	4,130,848	277,932	1,933,172	531,563	2,077,468	968,578	174,749	553,478	313,334	608,328	203,228	240,476	-	1,408,586	-		
5	1.12 Domestic All Electric	17,704,329	2,078,063	5,289,674	367,445	2,555,781	702,762	2,746,550	691,416	231,030	395,098	414,248	434,253	145,074	171,663	-	1,005,514	-		
6	1.3 Special	42,826	6,616	12,987	1,170	8,136	2,237	8,744	84	735	48	1,319	53	18	21	-	122	-		
7	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	2.2 GS 10-100 kW	8,757,173	963,400	2,849,035	170,349	1,184,872	325,804	1,273,313	244,111	107,107	139,493	192,047	153,317	244,324	289,104	-	355,006	-		
9	2.3 GS 110-1,000 kVa	6,052,407	812,206	2,265,777	143,615	998,921	274,673	1,073,482	7,719	89,947	4,411	161,280	4,848	13,637	16,136	-	11,226	-		
10	2.4 GS Over 1,000 kVa	3,236,006	418,996	1,339,108	74,087	515,318	141,697	553,782	672	33,865	384	60,722	422	1,186	1,404	-	977	-		
11	4.1 Street and Area Lighting	938,196	50,964	105,403	9,011	62,680	17,235	67,358	79,501	5,666	45,430	10,159	49,932	-	-	290,512	115,617	-		
12	Subtotal Rural	52,105,544	5,902,076	15,992,831	1,043,609	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	-		
13	Total	386,485,683	94,306,738	241,647,027	17,087,507	7,258,880	1,995,970	7,800,698	1,992,081	643,100	1,138,341	1,153,109	1,251,152	607,467	718,804	290,512	2,897,048	3,640,596		
Allocated Return on Debt																				
14	Newfoundland Power	58,563,345	26,733,279	22,426,129	8,089,649	-	-	-	-	-	-	-	-	-	-	-	-	1,314,288		
15	Industrial - Firm	4,665,065	1,558,193	2,352,357	458,720	-	-	-	-	-	-	-	-	-	-	-	-	295,796		
16	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																				
17	1.1 Domestic	4,136,658	503,021	453,597	148,085	889,341	198,347	731,091	383,598	58,043	183,836	128,362	250,997	94,446	57,296	-	56,597	-		
18	1.12 Domestic All Electric	4,825,592	665,027	580,845	195,779	1,175,768	262,228	966,551	273,830	76,736	131,231	169,702	179,174	67,420	40,900	-	40,401	-		
19	1.3 Special	12,695	2,117	1,426	623	3,743	835	3,077	33	244	16	540	22	8	5	-	5	-		
20	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	2.2 GS 10-100 kW	2,343,888	308,310	312,845	90,764	545,092	121,570	448,098	96,678	35,575	46,332	78,675	63,259	113,545	68,882	-	14,264	-		
22	2.3 GS 110-1,000 kVa	1,638,156	259,924	248,799	76,520	459,546	102,491	377,774	3,057	29,876	1,465	66,070	2,000	6,337	3,845	-	451	-		
23	2.4 GS Over 1,000 kVa	843,048	134,088	147,044	39,475	237,068	52,873	194,884	266	11,248	127	24,876	174	551	334	-	39	-		
24	4.1 Street and Area Lighting	236,345	16,310	11,574	4,801	28,835	6,431	23,704	31,486	1,882	15,089	4,162	20,602	-	-	66,823	4,645	-		
25	Subtotal Rural	14,036,382	1,888,796	1,756,130	556,047	3,339,394	744,776	2,745,180	788,948	213,604	378,097	472,387	516,228	282,308	171,262	66,823	116,402	-		
26	Total	77,264,792	30,180,268	26,534,616	9,104,415	3,339,394	744,776	2,745,180	788,948	213,604	378,097	472,387	516,228	282,308	171,262	66,823	116,402	1,610,084		
Allocated Return on Equity																				
27	Newfoundland Power	22,060,663	10,070,358	8,447,866	3,047,350	-	-	-	-	-	-	-	-	-	-	-	-	495,089		
28	Industrial - Firm	1,757,318	586,967	886,127	172,799	-	-	-	-	-	-	-	-	-	-	-	-	111,426		
29	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																				
30	1.1 Domestic	1,558,269	189,487	170,869	55,783	335,013	74,717	275,400	144,500	21,865	69,251	48,353	94,550	35,578	21,583	-	21,320	-		
31	1.12 Domestic All Electric	1,817,788	250,514	218,803	73,749	442,909	98,781	364,097	103,151	28,906	49,434	63,926	67,494	25,397	15,407	-	15,219	-		
32	1.3 Special	4,782	798	537	235	1,410	314	1,159	13	92	6	204	8	3	2	-	2	-		
33	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
34	2.2 GS 10-100 kW	882,937	116,139	117,848	34,191	205,335	45,795	168,797	36,418	13,401	17,453	29,637	23,829	42,772	25,948	-	5,373	-		
35	2.3 GS 110-1,000 kVa	617,089	97,913	93,722	28,825	173,110	38,608	142,307	1,152	11,254	552	24,889	754	2,387	1,448	-	170	-		
36	2.4 GS Over 1,000 kVa	317,574	50,511	55,391	14,870	89,303	19,917	73,412	100	4,237	48	9,371	66	208	126	-	15	-		
37	4.1 Street and Area Lighting	89,030	6,144	4,360	1,809	10,862	2,423	8,929	11,861	709	5,684	1,568	7,761	-	-	25,172	1,750	-		
38	Subtotal Rural	5,287,469	711,505	661,530	209,461	1,257,941	280,555	1,034,102	297,195	80,464	142,428	177,947	194,462	106,345	64,514	25,172	43,849	-		
39	Total	29,105,451	11,368,830	9,995,522	3,429,610	1,257,941	280,555	1,034,102	297,195	80,464	142,428	177,947	194,462	106,345	64,514	25,172	43,849	606,515		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2A
Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	19	20
		Municipal Tax	PUB Assessment
		Revenue Related	
	Allocated Rev Reqmt Excl Return		(\$)
1	Newfoundland Power	-	614,629
2	Industrial - Firm	-	22,152
3	Industrial - Non-Firm	-	7
	Rural		
4	1.1 Domestic	362,266	18,768
5	1.12 Domestic All Electric	452,325	23,434
6	1.3 Special	510	26
7	2.1 GS 0-10 kW	-	-
8	2.2 GS 10-100 kW	252,793	13,097
9	2.3 GS 110-1,000 kVa	165,933	8,597
10	2.4 GS Over 1,000 kVa	88,787	4,600
11	4.1 Street and Area Lighting	27,313	1,415
12	Subtotal Rural	1,349,927	69,937
13	Total	1,349,927	706,725
	Allocated Return on Debt		
14	Newfoundland Power	-	-
15	Industrial - Firm	-	-
16	Industrial - Non-Firm	-	-
	Rural		
17	1.1 Domestic	-	-
18	1.12 Domestic All Electric	-	-
19	1.3 Special	-	-
20	2.1 GS 0-10 kW	-	-
21	2.2 GS 10-100 kW	-	-
22	2.3 GS 110-1,000 kVa	-	-
23	2.4 GS Over 1,000 kVa	-	-
24	4.1 Street and Area Lighting	-	-
25	Subtotal Rural	-	-
26	Total	-	-
	Allocated Return on Equity		
27	Newfoundland Power	-	-
28	Industrial - Firm	-	-
29	Industrial - Non-Firm	-	-
	Rural		
30	1.1 Domestic	-	-
31	1.12 Domestic All Electric	-	-
32	1.3 Special	-	-
33	2.1 GS 0-10 kW	-	-
34	2.2 GS 10-100 kW	-	-
35	2.3 GS 110-1,000 kVa	-	-
36	2.4 GS Over 1,000 kVa	-	-
37	4.1 Street and Area Lighting	-	-
38	Subtotal Rural	-	-
39	Total	-	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		5 Transmission Demand (\$)	6 Rural Prod & Transmission Demand (\$)	7-16 Distribution										17 Accounting (\$)	18 Specifically Assigned Customer (\$)
				7 Substations Demand (\$)	8 Primary Lines			9 Line Transformers		10 Secondary Lines		11 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)	14 Accounting (\$)				
					8 Demand (\$)			9 Customer (\$)	9 Demand (\$)	10 Customer (\$)	10 Demand (\$)					11 Customer (\$)			
Total Revenue Requirement																			
40	Newfoundland Power	386,597,884	120,339,288	235,105,608	26,319,954	-	-	-	-	-	-	-	-	-	-	-	-	4,218,405	
41	Industrial - Firm	34,828,640	7,014,171	24,661,067	1,492,460	-	-	-	-	-	-	-	-	-	-	-	-	1,638,790	
42	Industrial - Non-Firm	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
43	1.1 Domestic	21,069,534	2,264,338	4,755,315	481,801	3,157,526	804,628	3,083,960	1,496,676	254,657	806,565	490,049	953,876	333,252	319,355	-	1,486,503	-	
44	1.12 Domestic All Electric	24,347,709	2,993,604	6,089,321	636,973	4,174,458	1,063,771	4,077,198	1,068,397	336,673	575,763	647,877	680,920	237,891	227,970	-	1,061,134	-	
45	1.3 Special	60,303	9,530	14,950	2,028	13,290	3,387	12,980	130	1,072	70	2,063	83	29	28	-	129	-	
46	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
47	2.2 GS 10-100 kW	11,983,998	1,387,849	3,279,728	295,304	1,935,298	493,169	1,890,208	377,208	156,083	203,279	300,359	240,406	400,641	383,933	-	374,644	-	
48	2.3 GS 110-1,000 kVa	8,307,651	1,170,043	2,608,298	248,959	1,631,577	415,772	1,593,563	11,928	131,077	6,428	252,239	7,602	22,361	21,429	-	11,847	-	
49	2.4 GS Over 1,000 kVa	4,396,628	603,595	1,541,543	128,432	841,689	214,486	822,079	1,038	49,351	559	94,968	661	1,946	1,864	-	1,031	-	
50	4.1 Street and Area Lighting	1,263,572	73,417	121,336	15,622	102,377	26,089	99,992	122,847	8,257	66,203	15,889	78,294	-	-	382,507	122,012	-	
51	Subtotal Rural	71,429,395	8,502,377	18,410,491	1,809,118	11,856,215	3,021,301	11,579,980	3,078,224	937,169	1,658,867	1,803,443	1,961,842	996,119	954,579	382,507	3,057,299	-	
52	Total	492,855,926	135,855,835	278,177,165	29,621,532	11,856,215	3,021,301	11,579,980	3,078,224	937,169	1,658,867	1,803,443	1,961,842	996,119	954,579	382,507	3,057,299	5,857,195	
Re-classification of Revenue-Related																			
53	Newfoundland Power	-	191,625	374,375	41,911	-	-	-	-	-	-	-	-	-	-	-	-	6,717	
54	Industrial - Firm	-	4,464	15,695	950	-	-	-	-	-	-	-	-	-	-	-	-	1,043	
55	Industrial - Non-Firm	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
56	1.1 Domestic	-	41,704	87,582	8,874	58,154	14,819	56,799	27,565	4,690	14,855	9,026	17,568	6,138	5,882	-	27,378	-	
57	1.12 Domestic All Electric	0	59,661	121,358	12,695	83,195	21,201	81,257	21,293	6,710	11,475	12,912	13,570	4,741	4,543	-	21,148	-	
58	1.3 Special	-	86	134	18	119	30	116	1	10	1	19	1	0	0	-	1	-	
59	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60	2.2 GS 10-100 kW	0	31,491	74,419	6,701	43,913	11,190	42,890	8,559	3,542	4,612	6,815	5,455	9,091	8,712	-	8,501	-	
61	2.3 GS 110-1,000 kVa	0	25,108	55,972	5,342	35,012	8,922	34,196	256	2,813	138	5,413	163	480	460	-	254	-	
62	2.4 GS Over 1,000 kVa	0	13,099	33,454	2,787	18,266	4,655	17,840	23	1,071	12	2,061	14	42	40	-	22	-	
63	4.1 Street and Area Lighting	0	1,708	2,823	363	2,382	607	2,326	2,858	192	1,540	370	1,821	-	-	8,899	2,839	-	
64	Subtotal Rural	0	172,857	375,741	36,780	241,042	61,424	235,426	60,555	19,027	32,633	36,615	38,593	20,492	19,637	8,899	60,143	-	
65	Total	(7)	368,946	765,812	79,641	241,042	61,424	235,426	60,555	19,027	32,633	36,615	38,593	20,492	19,637	8,899	60,143	7,760	
Total Allocated Revenue Requirement																			
66	Newfoundland Power	386,597,884	120,530,912	235,479,983	26,361,866	-	-	-	-	-	-	-	-	-	-	-	-	4,225,123	
67	Industrial - Firm	34,828,640	7,018,635	24,676,762	1,493,410	-	-	-	-	-	-	-	-	-	-	-	-	1,639,833	
68	Industrial - Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rural																			
69	1.1 Domestic	21,069,534	2,306,042	4,842,897	490,675	3,215,681	819,447	3,140,760	1,524,242	259,347	821,420	499,075	971,444	339,390	325,236	-	1,513,881	-	
70	1.12 Domestic All Electric	24,347,709	3,053,266	6,210,679	649,667	4,257,653	1,084,971	4,158,455	1,089,689	343,382	587,238	660,789	694,491	242,632	232,513	-	1,082,282	-	
71	1.3 Special	60,303	9,616	15,085	2,046	13,409	3,417	13,096	131	1,081	71	2,081	83	29	28	-	130	-	
72	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
73	2.2 GS 10-100 kW	11,983,998	1,419,340	3,354,146	302,004	1,979,211	504,359	1,933,098	385,767	159,625	207,891	307,174	245,861	409,732	392,645	-	383,145	-	
74	2.3 GS 110-1,000 kVa	8,307,651	1,195,151	2,664,269	254,302	1,666,589	424,694	1,627,759	12,184	133,890	6,566	257,651	7,765	22,841	21,889	-	12,101	-	
75	2.4 GS Over 1,000 kVa	4,396,628	616,694	1,574,996	131,219	859,955	219,141	839,919	1,060	50,422	571	97,029	676	1,988	1,905	-	1,053	-	
76	4.1 Street and Area Lighting	1,263,572	75,125	124,159	15,985	104,759	26,696	102,318	125,705	8,449	67,743	16,259	80,116	-	-	391,406	124,851	-	
77	Subtotal Rural	71,429,395	8,675,234	18,786,232	1,845,898	12,097,257	3,082,725	11,815,406	3,138,779	956,196	1,691,500	1,840,058	2,000,435	1,016,611	974,216	391,406	3,117,442	-	
78	Total	492,855,919	136,224,781	278,942,977	29,701,173	12,097,257	3,082,725	11,815,406	3,138,779	956,196	1,691,500	1,840,058	2,000,435	1,016,611	974,216	391,406	3,117,442	5,864,956	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2A
Page 4 of 4

**NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected**

Allocation of Functionalized Amounts to Classes of Service (CONTD.)

Line No.	Description	19	20	Basis of Proration
		Revenue Related		
		Municipal Tax (\$)	PUB Assessment (\$)	
	Total Revenue Requirement			
40	Newfoundland Power	-	614,629	
41	Industrial - Firm	-	22,152	
42	Industrial - Non-Firm	-	7	
	Rural			
43	1.1 Domestic	362,266	18,768	
44	1.12 Domestic All Electric	452,325	23,434	
45	1.3 Special	510	26	
46	2.1 GS 0-10 kW	-	-	
47	2.2 GS 10-100 kW	252,793	13,097	
48	2.3 GS 110-1,000 kVa	165,933	8,597	
49	2.4 GS Over 1,000 kVa	88,787	4,600	
50	4.1 Street and Area Lighting	27,313	1,415	
51	Subtotal Rural	1,349,927	69,937	
52	Total	1,349,927	706,725	
	Re-classification of Revenue-Related			
53	Newfoundland Power	-	(614,629)	Re-classification to demand, energy and customer is based on rate class revenue
54	Industrial - Firm	-	(22,152)	requirements excluding revenue-related items.
55	Industrial - Non-Firm	-	(7)	
	Rural			
56	1.1 Domestic	(362,266)	(18,768)	
57	1.12 Domestic All Electric	(452,325)	(23,434)	
58	1.3 Special	(510)	(26)	
59	2.1 GS 0-10 kW	-	-	
60	2.2 GS 10-100 kW	(252,793)	(13,097)	
61	2.3 GS 110-1,000 kVa	(165,933)	(8,597)	
62	2.4 GS Over 1,000 kVa	(88,787)	(4,600)	
63	4.1 Street and Area Lighting	(27,313)	(1,415)	
64	Subtotal Rural	(1,349,927)	(69,937)	
65	Total	(1,349,927)	(706,725)	
	Total Allocated Revenue Requirement			
66	Newfoundland Power	-	-	
67	Industrial - Firm	-	-	
68	Industrial - Non-Firm	-	-	
	Rural			
69	1.1 Domestic	-	-	
70	1.12 Domestic All Electric	-	-	
71	1.3 Special	-	-	
72	2.1 GS 0-10 kW	-	-	
73	2.2 GS 10-100 kW	-	-	
74	2.3 GS 110-1,000 kVa	-	-	
75	2.4 GS Over 1,000 kVa	-	-	
76	4.1 Street and Area Lighting	-	-	
77	Subtotal Rural	-	-	
78	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected

Allocation of Specifically Assigned Amounts to Classes of Service

Line No.	Description	Total Amount (\$)	OM&A				Depreciation				Expense Credits		Gains/Losses (\$)	Subtotal Excluding Return (\$)	Return on Debt (\$)	Return on Equity (\$)	Subtotal Excl Rev Related (\$)	Revenue Related (\$)
			Transmission Lines (\$)	Terminals (\$)	Administrative & General (\$)	Other (\$)	Transmission Lines (\$)	Terminals (\$)	Feasibility Study (\$)	General (\$)	Rental Income (\$)	Other (\$)						
			(Plant)	(Plant)	(C3 & C4)	(C3 & C4)	(Direct)	(Direct)	(Direct)	(Exp C3,4,6)	(Plant)	(C6)	(NBV)		(NBV)	(NBV)		
Basis of Allocation - Amounts																		
1	Newfoundland Power		25,304,070	13,005,806	38,309,875	38,309,875	-	-	-	743,804	38,309,875	38,309,875	24,090,999	-	24,090,999	24,090,999	-	-
Industrial																		
2	Vale		6,554,033	4,509,884	11,063,917	11,063,917	-	-	-	223,726	11,063,917	11,063,917	346,327	-	346,327	346,327	-	-
3	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corner Brook P&P - CB		-	7,052,376	7,052,376	7,052,376	-	-	-	192,018	7,052,376	7,052,376	4,753,752	-	4,753,752	4,753,752	-	-
5	Corner Brook P&P - DL		-	19,788	19,788	19,788	-	-	-	539	19,788	19,788	11,393	-	11,393	11,393	-	-
6	North Atlantic Refining Limited		-	1,127,618	1,127,618	1,127,618	-	-	-	30,702	1,127,618	1,127,618	310,497	-	310,497	310,497	-	-
7	Teck Resources		4,534,363	909,953	5,444,315	5,444,315	-	-	-	94,606	5,444,315	5,444,315	0	-	0	0	-	-
8	Subtotal Industrial		11,088,396	13,619,619	24,708,015	24,708,015	-	-	-	541,591	24,708,015	24,708,015	5,421,969	-	5,421,969	5,421,969	-	-
9	Total		36,392,465	26,625,425	63,017,890	63,017,890	-	-	-	1,285,395	63,017,890	63,017,890	29,512,968	-	29,512,968	29,512,968	-	-
Basis of Allocation - Ratios																		
11	Newfoundland Power		0.6953	0.4885	0.6079	0.6079	-	-	-	0.5787	0.6079	0.6079	0.8163	-	0.8163	0.8163	-	-
Industrial																		
12	Vale		0.1801	0.1694	0.1756	0.1756	-	-	-	0.1741	0.1756	0.1756	0.0117	-	0.0117	0.0117	-	-
13	Abitibi Consolidated - GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Corner Brook P&P - CB		-	0.2649	0.1119	0.1119	-	-	-	0.1494	0.1119	0.1119	0.1611	-	0.1611	0.1611	-	-
15	Corner Brook P&P - DL		-	0.0007	0.0003	0.0003	-	-	-	0.0004	0.0003	0.0003	0.0004	-	0.0004	0.0004	-	-
16	North Atlantic Refining Ltd.		-	0.0424	0.0179	0.0179	-	-	-	0.0239	0.0179	0.0179	0.0105	-	0.0105	0.0105	-	-
17	Teck Resources		0.1246	0.0342	0.0864	0.0864	-	-	-	0.0736	0.0864	0.0864	0.0000	-	0.0000	0.0000	-	-
18	Subtotal Industrial		0.3047	0.5115	0.3921	0.3921	-	-	-	0.4213	0.3921	0.3921	0.1837	-	0.1837	0.1837	-	-
19	Total		1.0000	1.0000	1.0000	1.0000	-	-	-	1.0000	1.0000	1.0000	1.0000	-	1.0000	1.0000	-	-
Amounts Allocated																		
20	Newfoundland Power	4,225,123	288,942	302,333	672,417	152,528	616,408	241,978	-	81,366	(325)	(8,414)	61,794	2,409,028	1,314,288	495,089	4,218,405	6,717
Industrial																		
21	Vale	480,243	74,839	104,837	194,194	44,050	-	13,167	-	24,474	(94)	(2,430)	888	453,926	18,894	7,117	479,937	305
22	Abitibi Consolidated - GF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Corner Brook P&P - CB	868,128	-	163,940	123,784	28,079	-	163,149	-	21,005	(60)	(1,549)	12,194	510,541	259,342	97,693	867,576	552
24	Corner Brook P&P - DL	2,770	-	460	347	79	-	943	-	59	(0)	(4)	29	1,913	622	234	2,768	2
25	North Atlantic Refining Ltd.	89,293	-	26,213	19,792	4,490	-	11,524	-	3,359	(10)	(248)	796	65,916	16,939	6,381	89,236	57
26	Teck Resources	199,399	51,777	21,153	95,559	21,676	-	-	-	10,349	(46)	(1,196)	0	199,272	0	0	199,272	127
27	Subtotal Industrial	1,639,833	126,616	316,602	433,676	98,373	-	188,783	-	59,246	(209)	(5,427)	13,908	1,231,568	295,796	111,426	1,638,790	1,043
28	Total	5,864,956	415,559	618,935	1,106,093	250,902	616,408	430,761	-	140,612	(534)	(13,841)	75,702	3,640,596	1,610,084	606,515	5,857,195	7,760

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.1B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer Demand (\$)	11 Customer Demand (\$)	12 Customer Demand (\$)		
Expenses																	
1	Operating & Maintenance	5,615,999	1,848,491	2,300,727	-	12,406	605,211	181,748	47,837	84,676	109,601	119,258	55,294	26,822	15,412	167,235	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	2,198,340	-	2,198,340	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	202,500	-	202,500	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-
Expense Credits																	
8	Sundry	(28,122)	(9,256)	(11,521)	-	(62)	(3,031)	(910)	(240)	(424)	(549)	(597)	(277)	(134)	(77)	(837)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(4,381)	(1,442)	(1,795)	-	(10)	(472)	(142)	(37)	(66)	(85)	(93)	(43)	(21)	(12)	(130)	-
12	Pole Attachments	(24,203)	-	-	-	-	(13,998)	(4,784)	-	-	(2,478)	(2,944)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(168)	-	-	-	-	-	-	-	-	-	-	-	-	-	(168)	-
16	Meter Test Revenues	(57)	-	-	-	-	-	-	-	-	-	-	-	(57)	-	-	-
17	Total Expense Credits	(56,931)	(10,698)	(13,316)	-	(72)	(17,500)	(5,836)	(277)	(490)	(3,112)	(3,634)	(320)	(212)	(89)	(1,136)	-
18	Subtotal Expenses	8,499,096	2,019,697	4,915,104	-	13,932	641,230	193,023	54,519	96,503	116,007	126,452	59,537	33,535	19,325	169,189	-
19	Disposal Gain / Loss	133,059	41,560	51,619	-	406	18,151	5,740	1,549	2,741	3,327	3,718	2,335	999	444	469	-
20	Subtotal Revenue Requirement Ex. Return	8,632,155	2,061,257	4,966,723	-	14,338	659,381	198,763	56,068	99,245	119,335	130,170	61,872	34,533	19,769	169,658	-
21	Return on Debt	597,493	184,400	236,978	-	1,793	80,205	25,340	6,834	12,097	14,699	16,419	10,263	4,410	1,962	2,091	-
22	Return on Equity	225,074	69,463	89,269	-	676	30,213	9,546	2,574	4,557	5,537	6,185	3,866	1,661	739	788	-
23	Total Revenue Requirement	9,454,722	2,315,121	5,292,970	-	16,807	769,799	233,649	65,476	115,899	139,571	152,775	76,001	40,604	22,471	172,537	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	18		19	20
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
	Expenses				
1	Operating & Maintenance	39,247	2,033	Carryforward from Sch.2.4 L.24	
2	Fuels	-	-	Production - Energy	
3	Fuels-Diesel	-	-	Production - Energy	
4	Fuels-Gas Turbine	-	-	Production - Energy	
5	Power Purchases -CF(L)Co	-	-		
6	Power Purchases-Other	-	-		
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23	
	Expense Credits				
8	Sundry	(197)	(10)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17	
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
11	Suppliers' Discounts	(31)	(2)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
13	Secondary Energy Revenues	-	-	Production - Energy	
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16	
15	Application Fees	-	-	Accounting - Customer	
16	Meter Test Revenues	-	-	Meters - Customer	
17	Total Expense Credits	(227)	(12)		
18	Subtotal Expenses	39,020	2,022		
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23	
20	Subtotal Revenue Requirement Ex. Return	39,020	2,022		
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8	
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10	
23	Total Revenue Requirement	39,020	2,022		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.2B
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	15,123,439	6,639,068	8,484,371	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	253,721	201,749	-	-	51,973	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	76,483	-	-	-	-	57,665	7,346	-	-	6,688	4,784	-	-	-	-	
8	Poles	3,549,836	-	-	-	-	2,053,041	701,632	-	-	363,390	431,774	-	-	-	-	
9	Primary Conductor & Equipment	489,822	-	-	-	-	434,472	55,350	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	557,274	-	-	-	-	-	-	201,176	356,098	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	155,817	-	-	-	-	-	-	-	-	90,841	64,976	-	-	-	-	
13	Services	232,537	-	-	-	-	-	-	-	-	-	-	232,537	-	-	-	
14	Meters	138,516	-	-	-	-	-	-	-	-	-	-	-	138,516	-	-	
15	Street Lighting	64,813	-	-	-	-	-	-	-	-	-	-	-	-	64,813	-	
16	Subtotal Distribution	5,518,820	201,749	-	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
17	Subtl Prod, Trans, & Dist	20,642,259	6,840,817	8,484,371	-	51,973	2,545,177	764,328	201,176	356,098	460,919	501,533	232,537	138,516	64,813	-	
18	General	2,438,631	866,586	1,088,920	-	3,735	182,919	54,931	14,458	25,592	33,126	36,045	16,712	6,193	4,658	104,756	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	41,659	13,806	17,123	-	105	5,137	1,543	406	719	930	1,012	469	280	131	-	
22	Software - Cust Actng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	23,122,548	7,721,208	9,590,414	-	55,813	2,733,232	820,802	216,040	382,409	494,975	538,590	249,718	144,988	69,601	104,756	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.2B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense (CONTD.)

1 18

Line No.	Description	Basis of Functional Classification
Production		
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.6
2	Subtotal Production	
Transmission		
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
Distribution		
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.3B

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		11-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)			
Production																	
1	Diesel	7,081,070	3,108,533	3,972,537	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	7,081,070	3,108,533	3,972,537	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	126,876	93,751	-	-	33,125	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	50,783	-	-	-	-	38,288	4,878	-	-	4,441	3,176	-	-	-	-	
8	Poles	2,252,619	-	-	-	-	1,302,798	445,235	-	-	230,596	273,991	-	-	-	-	
9	Primary Conductor & Equipment	148,786	-	-	-	-	131,973	16,813	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	349,358	-	-	-	-	-	-	126,118	223,240	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	60,286	-	-	-	-	-	-	-	-	35,146	25,139	-	-	-	-	
13	Services	192,060	-	-	-	-	-	-	-	-	-	-	192,060	-	-	-	
14	Meters	82,512	-	-	-	-	-	-	-	-	-	-	-	82,512	-	-	
15	Street Lighting	35,944	-	-	-	-	-	-	-	-	-	-	-	-	35,944	-	
16	Subtotal Distribution	3,299,223	93,751	-	-	33,125	1,473,059	466,925	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
17	Subttl Prod, Trans, & Dist	10,380,293	3,202,284	3,972,537	-	33,125	1,473,059	466,925	126,118	223,240	270,184	302,306	192,060	82,512	35,944	-	
18	General	931,299	330,944	415,852	-	1,426	69,856	20,978	5,522	9,774	12,651	13,765	6,382	2,365	1,779	40,006	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	31,680	9,773	12,124	-	101	4,496	1,425	385	681	825	923	586	252	110	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	11,343,272	3,543,001	4,400,514	-	34,653	1,547,410	489,328	132,025	233,694	283,659	316,994	199,028	85,129	37,833	40,006	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4B

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Island Isolated
 Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
Production																	
1	Diesel	2,130,539	935,289	1,195,250	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	314,161	137,914	176,247	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	2,444,700	1,073,204	1,371,497	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	487,018	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	-	5,867	-	-
9	Meters	7,800	-	-	-	-	-	-	-	-	-	-	-	7,800	-	-	-
10	Subtotal Distribution	494,818	18,262	-	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-
11	Subttl Prod, Trans, & Dist	2,939,518	1,091,466	1,371,497	-	4,704	230,386	69,186	18,210	32,234	41,722	45,398	21,049	7,800	5,867	-	-
12	Customer Accounting	131,940	-	-	-	-	-	-	-	-	-	-	-	-	-	131,940	-
Administrative & General:																	
Plant-Related:																	
13	Production	668,726	293,565	375,160	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	571,487	20,892	-	-	5,382	263,559	79,148	20,832	36,875	47,729	51,935	24,080	14,344	6,712	-	-
16	Prod, Trans, Distn Plant	356,326	118,086	146,457	-	897	43,935	13,194	3,473	6,147	7,956	8,657	4,014	2,391	1,119	-	-
17	Prod, Trans, Distn and Gen Plt	3,528	1,178	1,463	-	9	417	125	33	58	76	82	38	22	11	16	-
18	Property Insurance	16,396	7,093	8,810	-	51	168	51	13	24	30	33	15	6	4	96	-
Revenue Related:																	
19	Municipal Tax	39,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	2,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	819,027	291,047	365,719	-	1,254	61,434	18,449	4,856	8,595	11,125	12,106	5,613	2,080	1,564	35,183	-
22	Prod, Trans, and Distn Expense-Related	67,771	25,164	31,620	-	108	5,312	1,595	420	743	962	1,047	485	180	135	-	-
23	Subtotal Admin & General	2,544,540	757,025	929,230	-	7,702	374,825	112,562	29,627	52,442	67,879	73,860	34,245	19,022	9,545	35,295	-
24	Total Operating & Maintenance Expenses	5,615,999	1,848,491	2,300,727	-	12,406	605,211	181,748	47,837	84,676	109,601	119,258	55,294	26,822	15,412	167,235	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19		20 Basis of Functional Classification
		Revenue Related		
		Municipal Tax	PUB Assessment	
Production				
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L6
3	Subtotal Production	<u>-</u>	<u>-</u>	
Transmission				
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
Distribution				
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
Administrative & General:				
Plant-Related:				
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and Gen Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
Revenue Related:				
19	Municipal Tax	39,247	-	Revenue-related
20	PUB Assessment	-	2,033	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>39,247</u>	<u>2,033</u>	
24	Total Operating & Maintenance Expenses	<u>39,247</u>	<u>2,033</u>	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.5B

Page 1 of 1

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		12 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
Production																	
1	Diesel	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	341,149	149,762	191,388	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
6	Substn Struct & Eqpt	5,357	3,895	-	-	1,461	-	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	1,458	-	-	-	-	1,100	140	-	-	128	91	-	-	-	-	-
8	Poles	74,203	-	-	-	-	42,915	14,666	-	-	7,596	9,025	-	-	-	-	-
9	Primary Conductor & Equipment	3,700	-	-	-	-	3,282	418	-	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	17,784	-	-	-	-	-	-	6,420	11,364	-	-	-	-	-	-	-
12	Secondary Conductors & Equipment	1,151	-	-	-	-	-	-	-	-	671	480	-	-	-	-	-
13	Services	4,000	-	-	-	-	-	-	-	-	-	-	4,000	-	-	-	-
14	Meters	6,626	-	-	-	-	-	-	-	-	-	-	-	6,626	-	-	-
15	Street Lighting	3,799	-	-	-	-	-	-	-	-	-	-	-	-	3,799	-	-
16	Subtotal Distribution	118,079	3,895	-	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
17	Subtotal Prod Tran & Dist	459,228	153,657	191,388	-	1,461	47,297	15,225	6,420	11,364	8,395	9,597	4,000	6,626	3,799	-	-
18	General	71,927	25,560	32,118	-	110	5,395	1,620	426	755	977	1,063	493	183	137	3,090	-
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	8,033	2,688	3,348	-	26	827	266	112	199	147	168	70	116	66	-	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Depreciation Expense	539,188	181,905	226,853	-	1,597	53,519	17,111	6,959	12,318	9,518	10,828	4,563	6,925	4,003	3,090	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							7 Demand (\$)	8 Customer (\$)	9 Demand (\$)	10 Customer (\$)	11 Demand (\$)	12 Customer (\$)					
1	Average Net Book Value	11,343,272	3,543,001	4,400,514	-	34,653	1,547,410	489,328	132,025	233,694	283,659	316,994	199,028	85,129	37,833	40,006	-
2	Cash Working Capital	49,492	15,458	19,200	-	151	6,751	2,135	576	1,020	1,238	1,383	868	371	165	175	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	165,549	-	165,549	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	250,202	83,549	103,775	-	604	29,575	8,882	2,338	4,138	5,356	5,828	2,702	1,569	753	1,134	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	637,651	199,167	247,371	-	1,948	86,986	27,507	7,422	13,137	15,946	17,820	11,188	4,785	2,127	2,249	-
8	Total Rate Base	12,446,166	3,841,175	4,936,408	-	37,356	1,670,723	527,852	142,360	251,989	306,198	342,024	213,787	91,855	40,877	43,563	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	12,446,166	3,841,175	4,936,408	-	37,356	1,670,723	527,852	142,360	251,989	306,198	342,024	213,787	91,855	40,877	43,563	-
11	Return on Debt	597,493	184,400	236,978	-	1,793	80,205	25,340	6,834	12,097	14,699	16,419	10,263	4,410	1,962	2,091	-
12	Return on Equity	225,074	69,463	89,269	-	676	30,213	9,546	2,574	4,557	5,537	6,185	3,866	1,661	739	788	-
13	Return on Rate Base	822,567	253,863	326,247	-	2,469	110,418	34,886	9,409	16,654	20,237	22,604	14,129	6,071	2,702	2,879	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.6B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Island Isolated
 Functional Classification of Rate Base (CONTD.)

1	18	
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.1B

Page 1 of 2

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Basis of Allocation to Classes of Service**

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution											16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) (Rural Cust)		9 Line Transformers Demand (CP kW) (Rural Cust)		12 Secondary Lines Demand (CP kW) (Rural Cust)		13 Services Customer (Wld Rural Cust)	14 Meters Customer	15 Street Lighting Customer (Rural Cust)			
Amounts																		
1	1.2 Domestic Diesel	-	1,207	5,660	1,207	1,166	1,166	698	1,103	698	1,103	698	698	698	-	698	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	-	126	784	126	121	121	96	115	96	115	96	180	180	-	96	-	
5	2.2 GS 10-100 kW	-	110	726	110	106	106	13	100	13	100	13	62	62	-	13	-	
6	2.3 GS 110-1,000 kVa	-	88	370	88	85	85	1	81	1	81	1	8	8	-	1	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	-	25	105	25	24	24	38	23	38	23	38	-	-	38	38	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	-	1,556	7,646	1,556	1,502	1,502	846	1,421	846	1,421	846	949	949	38	846	-	
Ratios																		
13	1.2 Domestic Diesel	-	0.7760	0.7402	0.7760	0.7760	0.7760	0.8251	0.7760	0.8251	0.7760	0.8251	0.7358	0.7358	-	0.8251	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	-	0.0807	0.1026	0.0807	0.0807	0.0807	0.1135	0.0807	0.1135	0.0807	0.1135	0.1900	0.1900	-	0.1135	-	
17	2.2 GS 10-100 kW	-	0.0707	0.0950	0.0707	0.0707	0.0707	0.0154	0.0707	0.0154	0.0707	0.0154	0.0654	0.0654	-	0.0154	-	
18	2.3 GS 110-1,000 kVa	-	0.0567	0.0484	0.0567	0.0567	0.0567	0.0012	0.0567	0.0012	0.0567	0.0012	0.0089	0.0089	-	0.0012	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	-	0.0160	0.0138	0.0160	0.0160	0.0160	0.0449	0.0160	0.0449	0.0160	0.0449	-	-	1.0000	0.0449	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.1B

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Island Isolated
 Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	
			Revenue Related		Revenue Related	
			Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)		
Amounts						
1		1.2 Domestic Diesel	796,792	796,792		
2		1.2G Government Domestic Diesel	-	-		
3		1.23 Churches, Schools & Com Halls	-	-		
4		2.1 GS 0-10 kW	205,730	205,730		
5		2.2 GS 10-100 kW	427,531	427,531		
6		2.3 GS 110-1,000 kVa	-	-		
7		2.4 GS Over 1,000 kVa	-	-		
8		2.5 GS Diesel	-	-		
9		2.5G Gov't General Service Diesel	-	-		
10		4.1 Street and Area Lighting	41,568	41,568		
11		4.1G Gov't Street and Area Lighting	-	-		
12		Total	1,471,621	1,471,621		
Ratios						
13		1.2 Domestic Diesel	0.5414	0.5414		
14		1.2G Government Domestic Diesel	-	-		
15		1.23 Churches, Schools & Com Halls	-	-		
16		2.1 GS 0-10 kW	0.1398	0.1398		
17		2.2 GS 10-100 kW	0.2905	0.2905		
18		2.3 GS 110-1,000 kVa	-	-		
19		2.4 GS Over 1,000 kVa	-	-		
20		2.5 GS Diesel	-	-		
21		2.5G Gov't General Service Diesel	-	-		
22		4.1 Street and Area Lighting	0.0282	0.0282		
23		4.1G Gov't Street and Area Lighting	-	-		
24		Total	1.0000	1.0000		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2B

Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO																		
2015 Test Year Cost of Service - Rate Setting																		
Island Isolated																		
Allocation of Functionalized Amounts to Classes of Service																		
Line No.	Description	1 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)			
Allocated Revenue Requirement Excluding Return																		
1	1.2 Domestic Diesel	6,521,424	1,599,536	3,676,567	-	11,126	511,680	163,991	43,509	81,883	92,604	107,398	45,523	25,409	-	139,978	-	
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	2.1 GS 0-10 kW	836,100	166,275	509,436	-	1,157	53,190	22,555	4,523	11,262	9,626	14,771	11,755	6,561	-	19,252	-	
5	2.2 GS 10-100 kW	704,946	145,662	471,867	-	1,013	46,596	3,054	3,962	1,525	8,433	2,000	4,044	2,257	-	2,607	-	
6	2.3 GS 110-1,000 kVa	406,917	116,805	240,433	-	812	37,365	235	3,177	117	6,762	154	549	306	-	201	-	
7	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	4.1 Street and Area Lighting	162,768	32,980	68,420	-	229	10,550	8,928	897	4,458	1,909	5,847	-	-	19,769	7,621	-	
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Total	8,632,155	2,061,257	4,966,723	-	14,338	659,381	198,763	56,068	99,245	119,335	130,170	61,872	34,533	19,769	169,658	-	
Allocated Return on Debt and Equity																		
13	1.2 Domestic Diesel	627,515	196,998	241,501	-	1,916	85,684	28,783	7,301	13,740	15,704	18,650	10,396	4,467	-	2,375	-	
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	2.1 GS 0-10 kW	78,017	20,478	33,463	-	199	8,907	3,959	759	1,890	1,632	2,565	2,684	1,153	-	327	-	
17	2.2 GS 10-100 kW	61,511	17,940	30,995	-	174	7,803	536	665	256	1,430	347	924	397	-	44	-	
18	2.3 GS 110-1,000 kVa	38,526	14,386	15,793	-	140	6,257	41	533	20	1,147	27	125	54	-	3	-	
19	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	4.1 Street and Area Lighting	16,998	4,062	4,494	-	40	1,767	1,567	151	748	324	1,015	-	-	2,702	129	-	
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total	822,567	253,863	326,247	-	2,469	110,418	34,886	9,409	16,654	20,237	22,604	14,129	6,071	2,702	2,879	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2B

Page 2 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	18		19	Basis of Proration
		Revenue Related			
		Municipal	PUB		
	Description	Tax	Assessment		
		(\$)	(\$)		
	Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	21,127	1,095		
2	1.2G Government Domestic Diesel	-	-		
3	1.23 Churches, Schools & Com Halls	-	-		
4	2.1 GS 0-10 kW	5,455	283		
5	2.2 GS 10-100 kW	11,336	587		
6	2.3 GS 110-1,000 kVa	-	-		
7	2.4 GS Over 1,000 kVa	-	-		
8	2.5 GS Diesel	-	-		
9	2.5G Gov't General Service Diesel	-	-		
10	4.1 Street and Area Lighting	1,102	57		
11	4.1G Gov't Street and Area Lighting	-	-		
12	Total	39,020	2,022		
	Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-		
14	1.2G Government Domestic Diesel	-	-		
15	1.23 Churches, Schools & Com Halls	-	-		
16	2.1 GS 0-10 kW	-	-		
17	2.2 GS 10-100 kW	-	-		
18	2.3 GS 110-1,000 kVa	-	-		
19	2.4 GS Over 1,000 kVa	-	-		
20	2.5 GS Diesel	-	-		
21	2.5G Gov't General Service Diesel	-	-		
22	4.1 Street and Area Lighting	-	-		
23	4.1G Gov't Street and Area Lighting	-	-		
24	Total	-	-		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2B

Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO

2015 Test Year Cost of Service - Rate Setting

Island Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Transmission Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		8 Line Transformers		9 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)		
							Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)					
Total Revenue Requirement																	
25	1.2 Domestic Diesel	7,148,939	1,796,534	3,918,068	-	13,042	597,364	192,774	50,810	95,623	108,307	126,048	55,919	29,875	-	142,354	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	914,117	186,753	542,899	-	1,356	62,097	26,513	5,282	13,152	11,259	17,336	14,440	7,714	-	19,579	-
29	2.2 GS 10-100 kW	766,457	163,602	502,863	-	1,188	54,399	3,590	4,627	1,781	9,863	2,348	4,968	2,654	-	2,651	-
30	2.3 GS 110-1,000 kVa	445,443	131,190	256,226	-	952	43,622	276	3,710	137	7,909	181	675	360	-	204	-
31	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	179,766	37,042	72,915	-	269	12,317	10,495	1,048	5,206	2,233	6,862	-	-	22,471	7,750	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	9,454,722	2,315,121	5,292,970	-	16,807	769,799	233,649	65,476	115,899	139,571	152,775	76,001	40,604	22,471	172,537	-
Re-classification of Revenue-Related																	
37	1.2 Domestic Diesel	0	5,602	12,217	-	41	1,863	601	158	298	338	393	174	93	-	444	-
38	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	2.1 GS 0-10 kW	(0)	1,180	3,429	-	9	392	167	33	83	71	109	91	49	-	124	-
41	2.2 GS 10-100 kW	0	2,585	7,946	-	19	860	57	73	28	156	37	79	42	-	42	-
42	2.3 GS 110-1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	4.1 Street and Area Lighting	(0)	240	473	-	2	80	68	7	34	14	45	-	-	146	50	-
47	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Total	0	9,607	24,065	-	70	3,194	893	272	443	579	584	344	184	146	660	-
Total Allocated Revenue Requirement																	
49	1.2 Domestic Diesel	7,148,939	1,802,135	3,930,284	-	13,083	599,227	193,375	50,968	95,921	108,645	126,441	56,094	29,968	-	142,797	-
50	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	2.1 GS 0-10 kW	914,117	187,933	546,328	-	1,364	62,489	26,681	5,315	13,235	11,330	17,446	14,531	7,763	-	19,702	-
53	2.2 GS 10-100 kW	766,457	166,187	510,809	-	1,206	55,259	3,647	4,700	1,809	10,019	2,385	5,046	2,696	-	2,693	-
54	2.3 GS 110-1,000 kVa	445,443	131,190	256,226	-	952	43,622	276	3,710	137	7,909	181	675	360	-	204	-
55	2.4 GS Over 1,000 kVa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	4.1 Street and Area Lighting	179,766	37,282	73,388	-	271	12,397	10,563	1,054	5,240	2,248	6,907	-	-	22,617	7,800	-
59	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Total	9,454,722	2,324,727	5,317,036	-	16,877	772,994	234,542	65,748	116,342	140,151	153,359	76,345	40,788	22,617	173,197	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2B

Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 19 Revenue Related		Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Total Revenue Requirement				
25	1.2 Domestic Diesel	21,127	1,095	
26	1.2G Government Domestic Diesel	-	-	
27	1.23 Churches, Schools & Com Halls	-	-	
28	2.1 GS 0-10 kW	5,455	283	
29	2.2 GS 10-100 kW	11,336	587	
30	2.3 GS 110-1,000 kVa	-	-	
31	2.4 GS Over 1,000 kVa	-	-	
32	2.5 GS Diesel	-	-	
33	2.5G Gov't General Service Diesel	-	-	
34	4.1 Street and Area Lighting	1,102	57	
35	4.1G Gov't Street and Area Lighting	-	-	
36	Total	39,020	2,022	
Re-classification of Revenue-Related				
37	1.2 Domestic Diesel	(21,127)	(1,095)	Re-classification to demand, energy and customer is based on rate class revenue
38	1.2G Government Domestic Diesel	-	-	requirements excluding revenue-related items.
39	1.23 Churches, Schools & Com Halls	-	-	
40	2.1 GS 0-10 kW	(5,455)	(283)	
41	2.2 GS 10-100 kW	(11,336)	(587)	
42	2.3 GS 110-1,000 kVa	-	-	
43	2.4 GS Over 1,000 kVa	-	-	
44	2.5 GS Diesel	-	-	
45	2.5G Gov't General Service Diesel	-	-	
46	4.1 Street and Area Lighting	(1,102)	(57)	
47	4.1G Gov't Street and Area Lighting	-	-	
48	Total	(39,020)	(2,022)	
Total Allocated Revenue Requirement				
49	1.2 Domestic Diesel	-	-	
50	1.2G Government Domestic Diesel	-	-	
51	1.23 Churches, Schools & Com Halls	-	-	
52	2.1 GS 0-10 kW	-	-	
53	2.2 GS 10-100 kW	-	-	
54	2.3 GS 110-1,000 kVa	-	-	
55	2.4 GS Over 1,000 kVa	-	-	
56	2.5 GS Diesel	-	-	
57	2.5G Gov't General Service Diesel	-	-	
58	4.1 Street and Area Lighting	-	-	
59	4.1G Gov't Street and Area Lighting	-	-	
60	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Expenses																	
1	Operating & Maintenance	13,293,544	3,799,748	6,963,415	-	85,414	876,679	243,876	37,805	66,917	163,667	168,686	51,803	50,582	22,673	575,122	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	14,315,837	-	14,315,837	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	2,621,605	775,155	1,431,187	-	22,032	179,718	54,706	7,022	12,429	31,642	35,055	17,568	26,369	13,911	14,812	-
Expense Credits																	
8	Sundry	(66,567)	(19,027)	(34,869)	-	(428)	(4,390)	(1,221)	(189)	(335)	(820)	(845)	(259)	(253)	(114)	(2,880)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(10,370)	(2,964)	(5,432)	-	(67)	(684)	(190)	(29)	(52)	(128)	(132)	(40)	(39)	(18)	(449)	-
12	Pole Attachments	(105,320)	-	-	-	-	(60,912)	(20,817)	-	-	(10,781)	(12,810)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(1,472)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,472)	-
16	Meter Test Revenues	(215)	-	-	-	-	-	-	-	-	-	-	-	(215)	-	-	-
17	Total Expense Credits	(183,944)	(21,991)	(40,301)	-	(494)	(65,985)	(22,228)	(219)	(387)	(11,729)	(13,787)	(300)	(508)	(131)	(4,801)	-
18	Subtotal Expenses	30,047,042	4,552,912	22,670,138	-	106,951	990,412	276,353	44,608	78,959	183,581	189,954	69,071	76,444	36,453	585,133	-
19	Disposal Gain / Loss	273,138	75,592	137,665	-	2,466	24,997	8,118	1,382	2,446	6,077	6,273	4,727	1,697	674	1,024	-
20	Subtotal Revenue Requirement Ex. Return	30,320,180	4,628,504	22,807,802	-	109,418	1,015,409	284,471	45,989	81,405	189,658	196,227	73,799	78,140	37,127	586,158	-
21	Return on Debt	2,855,552	749,390	1,512,185	-	24,525	248,681	80,518	13,684	24,221	60,162	62,103	46,355	16,815	6,704	10,210	-
22	Return on Equity	1,075,679	282,293	569,636	-	9,239	93,678	30,331	5,155	9,124	22,663	23,394	17,462	6,334	2,525	3,846	-
23	Total Revenue Requirement	34,251,411	5,660,187	24,889,623	-	143,181	1,357,769	395,320	64,828	114,750	272,483	281,724	137,616	101,289	46,357	600,214	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Expenses			
1	Operating & Maintenance	177,937	9,219	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.12
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(891)	(46)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(139)	(7)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(1,030)	(53)	
18	Subtotal Expenses	176,907	9,165	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	176,907	9,165	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	176,907	9,165	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Customer (\$)	13 Services Customer (\$)	14 Meters Customer (\$)	
Production																
1	Diesel	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
2	Subtotal Production	60,226,751	20,632,369	39,594,383	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																
6	Substation Structures & Equipment	2,739,332	1,827,404	-	-	911,928	-	-	-	-	-	-	-	-	-	-
7	Land & Land Improvements	243,333	-	-	-	-	183,461	23,372	-	-	21,280	15,221	-	-	-	-
8	Poles	11,493,527	-	-	-	-	6,647,258	2,271,719	-	-	1,176,569	1,397,981	-	-	-	-
9	Primary Conductor & Equipment	2,952,695	-	-	-	-	2,619,040	333,655	-	-	-	-	-	-	-	-
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Transformers	1,128,800	-	-	-	-	-	-	407,497	721,303	-	-	-	-	-	-
12	Secondary Conductors & Equipment	971,404	-	-	-	-	-	-	-	-	566,328	405,075	-	-	-	-
13	Services	558,391	-	-	-	-	-	-	-	-	-	-	558,391	-	-	-
14	Meters	521,956	-	-	-	-	-	-	-	-	-	-	-	521,956	-	-
15	Street Lighting	244,392	-	-	-	-	-	-	-	-	-	-	-	-	244,392	-
16	Subtotal Distribution	20,853,830	1,827,404	-	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
17	Subttl Prod, Trans, & Dist	81,080,582	22,459,773	39,594,383	-	911,928	9,449,760	2,628,745	407,497	721,303	1,764,177	1,818,277	558,391	521,956	244,392	-
18	General	8,718,632	2,556,398	4,722,682	-	47,627	493,534	137,292	21,282	37,672	92,138	94,963	29,163	28,898	12,764	444,218
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Software - General	163,632	45,327	79,907	-	1,840	19,071	5,305	822	1,456	3,560	3,670	1,127	1,053	493	-
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Plant	89,962,845	25,061,497	44,396,971	-	961,396	9,962,365	2,771,342	429,602	760,430	1,859,876	1,916,910	588,681	551,908	257,649	444,218

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

1	18	
Line No.	Description	Basis of Functional Classification
Production		
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.7
2	Subtotal Production	
Transmission		
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
Distribution		
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch 2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)			
Production																	
1	Diesel	36,782,536	12,600,893	24,181,643	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	36,782,536	12,600,893	24,181,643	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	1,143,035	693,537	-	-	449,498	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	154,588	-	-	-	-	116,551	14,848	-	-	13,519	9,669	-	-	-	-	
8	Poles	7,326,313	-	-	-	-	4,237,159	1,448,060	-	-	749,980	891,114	-	-	-	-	
9	Primary Conductor & Equipment	222,450	-	-	-	-	197,313	25,137	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	704,180	-	-	-	-	-	-	254,209	449,971	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	609,075	-	-	-	-	-	-	-	-	355,091	253,984	-	-	-	-	
13	Services	888,870	-	-	-	-	-	-	-	-	-	-	888,870	-	-	-	
14	Meters	310,922	-	-	-	-	-	-	-	-	-	-	-	310,922	-	-	
15	Street Lighting	123,038	-	-	-	-	-	-	-	-	-	-	-	-	123,038	-	
16	Subtotal Distribution	11,482,471	693,537	-	-	449,498	4,551,023	1,488,045	254,209	449,971	1,118,589	1,154,768	888,870	310,922	123,038	-	
17	Subttl Prod, Trans, & Dist	48,265,007	13,294,429	24,181,643	-	449,498	4,551,023	1,488,045	254,209	449,971	1,118,589	1,154,768	888,870	310,922	123,038	-	
18	General	3,846,949	1,127,967	2,083,804	-	21,015	217,764	60,578	9,390	16,622	40,654	41,901	12,868	12,751	5,632	196,004	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	147,299	40,573	73,800	-	1,372	13,889	4,541	776	1,373	3,414	3,524	2,713	949	375	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	52,259,255	14,462,970	26,339,246	-	471,885	4,782,676	1,553,164	264,375	467,966	1,162,658	1,200,193	904,450	324,622	129,046	196,004	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4C

Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated

Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Production																	
1	Diesel	6,968,482	2,387,250	4,581,233	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Other	337,907	115,760	222,147	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	7,306,389	2,503,009	4,803,380	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
8	Other	1,080,020	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	-	12,982	-	-
9	Meters	29,392	-	-	-	-	-	-	-	-	-	-	-	29,392	-	-	-
10	Subtotal Distribution	1,109,412	97,071	-	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
11	Subttl Prod, Trans, & Dist	8,415,802	2,600,080	4,803,380	-	48,441	501,967	139,638	21,646	38,315	93,712	96,586	29,662	29,392	12,982	-	-
12	Customer Accounting	451,809	-	-	-	-	-	-	-	-	-	-	-	-	-	451,809	-
Administrative & General:																	
Plant-Related:																	
13	Production	769,010	263,446	505,564	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	395,021	34,615	-	-	17,274	179,001	49,795	7,719	13,663	33,418	34,442	10,577	9,887	4,629	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn and General Plt	447,836	124,757	221,009	-	4,786	49,593	13,796	2,139	3,785	9,258	9,542	2,930	2,747	1,283	2,211	-
18	Property Insurance	63,792	22,262	39,437	-	854	439	122	19	34	82	85	26	26	11	395	-
Revenue Related:																	
19	Municipal Tax	177,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	9,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	2,369,092	694,644	1,283,283	-	12,942	134,107	37,306	5,783	10,236	25,036	25,804	7,924	7,852	3,468	120,706	-
22	Prod, Trans, and Distn Expense-Related	194,026	59,945	110,742	-	1,117	11,573	3,219	499	883	2,161	2,227	684	678	299	-	-
23	Subtotal Admin & General	4,425,933	1,199,668	2,160,035	-	36,972	374,712	104,238	16,159	28,602	69,955	72,100	22,142	21,190	9,691	123,313	-
24	Total Operating & Maintenance Expenses	13,293,544	3,799,748	6,963,415	-	85,414	876,679	243,876	37,805	66,917	163,667	168,686	51,803	50,582	22,673	575,122	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4C
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D)

Line No.	Description	Revenue Related		Basis of Functional Classification
		18 Municipal Tax	19 PUB Assessment	
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod, Trans, Distn and General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	177,937	-	Revenue-related
20	PUB Assessment	-	9,219	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>177,937</u>	<u>9,219</u>	
24	Total Operating & Maintenance Expenses	<u>177,937</u>	<u>9,219</u>	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Depreciation Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)	15 Accounting Customer (\$)	
Production																	
1	Diesel	1,904,132	652,314	1,251,818	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	1,904,132	652,314	1,251,818	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substn Struct & Eqpt	45,833	25,740	-	-	20,093	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	3,936	-	-	-	-	2,967	378	-	-	344	246	-	-	-	-	
8	Poles	232,509	-	-	-	-	134,471	45,956	-	-	23,801	28,280	-	-	-	-	
9	Primary Conductor & Equipment	25,949	-	-	-	-	23,017	2,932	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	17,184	-	-	-	-	-	-	6,204	10,981	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	6,746	-	-	-	-	-	-	-	-	3,933	2,813	-	-	-	-	
13	Services	16,310	-	-	-	-	-	-	-	-	-	-	16,310	-	-	-	
14	Meters	24,969	-	-	-	-	-	-	-	-	-	-	-	24,969	-	-	
15	Street Lighting	13,254	-	-	-	-	-	-	-	-	-	-	-	-	13,254	-	
16	Subtotal Distribution	386,690	25,740	-	-	20,093	160,455	49,266	6,204	10,981	28,079	31,340	16,310	24,969	13,254	-	
17	Subtotal Prod Tran & Dist	2,290,822	678,054	1,251,818	-	20,093	160,455	49,266	6,204	10,981	28,079	31,340	16,310	24,969	13,254	-	
18	General	290,714	85,240	157,473	-	1,588	16,456	4,578	710	1,256	3,072	3,166	972	964	426	14,812	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	40,070	11,860	21,896	-	351	2,807	862	109	192	491	548	285	437	232	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	2,621,605	775,155	1,431,187	-	22,032	179,718	54,706	7,022	12,429	31,642	35,055	17,568	26,369	13,911	14,812	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)	16 Accounting Customer (\$)	
1	Average Net Book Value	52,259,255	14,462,970	26,339,246	-	471,885	4,782,676	1,553,164	264,375	467,966	1,162,658	1,200,193	904,450	324,622	129,046	196,004	-
2	Cash Working Capital	228,011	63,103	114,920	-	2,059	20,867	6,777	1,153	2,042	5,073	5,237	3,946	1,416	563	855	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	3,084,574	-	3,084,574	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	973,460	271,183	480,406	-	10,403	107,800	29,988	4,649	8,228	20,125	20,742	6,370	5,972	2,788	4,807	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	2,937,705	813,022	1,480,636	-	26,527	268,854	87,310	14,862	26,306	65,358	67,468	50,843	18,248	7,254	11,018	-
8	Total Rate Base	59,483,005	15,610,278	31,499,782	-	510,873	5,180,196	1,677,239	285,039	504,543	1,253,213	1,293,640	965,609	350,259	139,651	212,684	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	59,483,005	15,610,278	31,499,782	-	510,873	5,180,196	1,677,239	285,039	504,543	1,253,213	1,293,640	965,609	350,259	139,651	212,684	-
11	Return on Debt	2,855,552	749,390	1,512,185	-	24,525	248,681	80,518	13,684	24,221	60,162	62,103	46,355	16,815	6,704	10,210	-
12	Return on Equity	1,075,679	282,293	569,636	-	9,239	93,678	30,331	5,155	9,124	22,663	23,394	17,462	6,334	2,525	3,846	-
13	Return on Rate Base	3,931,232	1,031,683	2,081,821	-	33,764	342,359	110,849	18,838	33,345	82,825	85,497	63,817	23,149	9,230	14,056	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Labrador Isolated
 Functional Classification of Rate Base (CONT'D.)

Line No.	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution											17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand (CP kW) / Customer (Rural Cust)		9 Line Transformers Demand (CP kW) / Customer (Rural Cust)		11 Secondary Lines Demand (CP kW) / Customer (Rural Cust)		12 Services Customer (Wtd Rural Cust)	13 Meters Customer	14 Street Lighting Customer (Rural Cust)	15 Accounting Customer (Rural Cust)	
Amounts																	
1	1.2 Domestic Diesel	-	4,715	22,197	4,715	4,562	4,562	2,070	4,330	2,070	4,330	2,070	2,070	2,070	-	2,070	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	-	738	4,466	738	714	714	416	677	416	677	416	781	781	-	416	-
5	2.2 GS 10-100 kW	-	2,023	12,284	2,023	1,957	1,957	139	1,857	139	1,857	139	665	665	-	139	-
6	2.3 GS 110-1,000 kVa	-	150	3,038	150	145	145	6	138	6	138	6	51	51	-	6	-
7	2.4 GS Over 1,000 kVa	-	93	2,607	93	90	90	1	86	1	86	1	8	8	-	1	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	-	80	319	80	77	77	83	74	83	74	83	-	-	83	83	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	7,799	44,912	7,799	7,545	7,545	2,715	7,162	2,715	7,162	2,715	3,575	3,575	83	2,715	-
Ratios																	
13	1.2 Domestic Diesel	-	0.6046	0.4942	0.6046	0.6046	0.6046	0.7624	0.6046	0.7624	0.6046	0.7624	0.5791	0.5791	-	0.7624	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	-	0.0946	0.0994	0.0946	0.0946	0.0946	0.1531	0.0946	0.1531	0.0946	0.1531	0.2184	0.2184	-	0.1531	-
17	2.2 GS 10-100 kW	-	0.2593	0.2735	0.2593	0.2593	0.2593	0.0514	0.2593	0.0514	0.2593	0.0514	0.1861	0.1861	-	0.0514	-
18	2.3 GS 110-1,000 kVa	-	0.0193	0.0676	0.0193	0.0193	0.0193	0.0022	0.0193	0.0022	0.0193	0.0022	0.0141	0.0141	-	0.0022	-
19	2.4 GS Over 1,000 kVa	-	0.0120	0.0581	0.0120	0.0120	0.0120	0.0004	0.0120	0.0004	0.0120	0.0004	0.0024	0.0024	-	0.0004	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	0.0103	0.0071	0.0103	0.0103	0.0103	0.0306	0.0103	0.0306	0.0103	0.0306	-	-	1.0000	0.0306	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	18	19
		Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.2 Domestic Diesel	3,083,957	3,083,957
2	1.2G Government Domestic Diesel	-	-
3	1.23 Churches, Schools & Com Halls	-	-
4	2.1 GS 0-10 kW	1,096,168	1,096,168
5	2.2 GS 10-100 kW	1,957,521	1,957,521
6	2.3 GS 110-1,000 kVa	178,644	178,644
7	2.4 GS Over 1,000 kVa	240,507	240,507
8	2.5 GS Diesel	-	-
9	2.5G Gov't General Service Diesel	-	-
10	4.1 Street and Area Lighting	115,211	115,211
11	4.1G Gov't Street and Area Lighting	-	-
12	Total	6,672,008	6,672,008
Ratios			
13	1.2 Domestic Diesel	0.4622	0.4622
14	1.2G Government Domestic Diesel	-	-
15	1.23 Churches, Schools & Com Halls	-	-
16	2.1 GS 0-10 kW	0.1643	0.1643
17	2.2 GS 10-100 kW	0.2934	0.2934
18	2.3 GS 110-1,000 kVa	0.0268	0.0268
19	2.4 GS Over 1,000 kVa	0.0360	0.0360
20	2.5 GS Diesel	-	-
21	2.5G Gov't General Service Diesel	-	-
22	4.1 Street and Area Lighting	0.0173	0.0173
23	4.1G Gov't Street and Area Lighting	-	-
24	Total	1.0000	1.0000

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO																			
2015 Test Year Cost of Service - Rate Setting																			
Labrador Isolated																			
Allocation of Functionalized Amounts to Classes of Service																			
Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution												16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Demand (\$)	12 Customer (\$)	13 Services Customer (\$)	14 Meters Customer (\$)		
Allocated Revenue Requirement Excluding Return																			
1	1.2 Domestic Diesel	15,942,670	2,798,231	11,272,538	-	66,150	613,881	216,876	27,804	62,062	114,660	149,600	42,735	45,250	-	446,876	-		
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	2.1 GS 0-10 kW	3,074,147	437,760	2,268,152	-	10,349	96,037	43,557	4,350	12,464	17,938	30,045	16,114	17,062	-	89,749	-		
5	2.2 GS 10-100 kW	7,933,153	1,200,374	6,238,112	-	28,377	263,340	14,610	11,927	4,181	49,187	10,078	13,732	14,540	-	30,104	-		
6	2.3 GS 110-1,000 kVa	1,667,599	89,137	1,542,596	-	2,107	19,555	629	886	180	3,652	434	1,043	1,104	-	1,295	-		
7	2.4 GS Over 1,000 kVa	1,403,416	55,463	1,324,163	-	1,311	12,168	105	551	30	2,273	72	174	184	-	216	-		
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	4.1 Street and Area Lighting	299,194	47,540	162,241	-	1,124	10,429	8,696	472	2,488	1,948	5,998	-	-	37,127	17,917	-		
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Total	30,320,180	4,628,504	22,807,802	-	109,418	1,015,409	284,471	45,989	81,405	189,658	196,227	73,799	78,140	37,127	586,158	-		
Allocated Return on Debt and Equity																			
13	1.2 Domestic Diesel	2,177,680	623,720	1,028,920	-	20,412	206,978	84,509	11,389	25,422	50,073	65,181	36,955	13,405	-	10,716	-		
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	2.1 GS 0-10 kW	406,104	97,576	207,029	-	3,193	32,380	16,973	1,782	5,106	7,834	13,091	13,935	5,055	-	2,152	-		
17	2.2 GS 10-100 kW	989,566	267,561	569,394	-	8,756	88,789	5,693	4,886	1,713	21,480	4,391	11,875	4,307	-	722	-		
18	2.3 GS 110-1,000 kVa	171,640	19,868	140,803	-	650	6,593	245	363	74	1,595	189	902	327	-	31	-		
19	2.4 GS Over 1,000 kVa	139,248	12,363	120,865	-	405	4,102	41	226	12	992	31	150	55	-	5	-		
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	4.1 Street and Area Lighting	46,993	10,596	14,809	-	347	3,516	3,388	193	1,019	851	2,613	-	-	9,230	430	-		
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
24	Total	3,931,232	1,031,683	2,081,821	-	33,764	342,359	110,849	18,838	33,345	82,825	85,497	63,817	23,149	9,230	14,056	-		

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Labrador Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		18	19	
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.2 Domestic Diesel	81,771	4,236	
2	1.2G Government Domestic Diesel	-	-	
3	1.23 Churches, Schools & Com Halls	-	-	
4	2.1 GS 0-10 kW	29,065	1,506	
5	2.2 GS 10-100 kW	51,903	2,689	
6	2.3 GS 110-1,000 kVa	4,737	245	
7	2.4 GS Over 1,000 kVa	6,377	330	
8	2.5 GS Diesel	-	-	
9	2.5G Gov't General Service Diesel	-	-	
10	4.1 Street and Area Lighting	3,055	158	
11	4.1G Gov't Street and Area Lighting	-	-	
12	Total	176,907	9,165	
Allocated Return on Debt and Equity				
13	1.2 Domestic Diesel	-	-	
14	1.2G Government Domestic Diesel	-	-	
15	1.23 Churches, Schools & Com Halls	-	-	
16	2.1 GS 0-10 kW	-	-	
17	2.2 GS 10-100 kW	-	-	
18	2.3 GS 110-1,000 kVa	-	-	
19	2.4 GS Over 1,000 kVa	-	-	
20	2.5 GS Diesel	-	-	
21	2.5G Gov't General Service Diesel	-	-	
22	4.1 Street and Area Lighting	-	-	
23	4.1G Gov't Street and Area Lighting	-	-	
24	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2C
Page 3 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Transmission Energy (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lighting Customer (\$)		
Total Revenue Requirement																		
1	1.2 Domestic Diesel	18,120,350	3,421,950	12,301,458	-	-	86,562	820,859	301,385	39,192	87,483	164,733	214,781	79,691	58,655	-	457,592	-
2	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.1 GS 0-10 kW	3,480,251	535,336	2,475,182	-	-	13,542	128,417	60,529	6,131	17,570	25,771	43,136	30,049	22,117	-	91,902	-
5	2.2 GS 10-100 kW	8,922,720	1,467,934	6,807,506	-	-	37,133	352,129	20,303	16,813	5,893	70,667	14,469	25,608	18,848	-	30,825	-
6	2.3 GS 110-1,000 kVa	1,839,239	109,005	1,683,399	-	-	2,757	26,148	874	1,248	254	5,248	623	1,945	1,431	-	1,326	-
7	2.4 GS Over 1,000 kVa	1,542,664	67,825	1,445,028	-	-	1,716	16,270	146	777	42	3,265	104	324	239	-	221	-
8	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	4.1 Street and Area Lighting	346,187	58,136	177,050	-	-	1,471	13,946	12,084	666	3,508	2,799	8,612	-	-	46,357	18,347	-
11	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	34,251,411	5,660,187	24,889,623	-	-	143,181	1,357,769	395,320	64,828	114,750	272,483	281,724	137,616	101,289	46,357	600,214	-
Re-classification of Revenue-Related																		
13	1.2 Domestic Diesel	(0)	16,320	58,667	-	-	413	3,915	1,437	187	417	786	1,024	380	280	-	2,182	-
14	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2.1 GS 0-10 kW	(0)	4,744	21,935	-	-	120	1,138	536	54	156	228	382	266	196	-	814	-
17	2.2 GS 10-100 kW	0	9,037	41,907	-	-	229	2,168	125	103	36	435	89	158	116	-	190	-
18	2.3 GS 110-1,000 kVa	0	296	4,572	-	-	7	71	2	3	1	14	2	5	4	-	4	-
19	2.4 GS Over 1,000 kVa	-	296	6,310	-	-	7	71	1	3	0	14	0	1	1	-	1	-
20	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	4.1 Street and Area Lighting	-	545	1,659	-	-	14	131	113	6	33	26	81	-	-	434	172	-
23	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	(0)	31,237	135,050	-	-	790	7,493	2,215	358	643	1,504	1,578	811	597	434	3,363	-
Total Allocated Revenue Requirement																		
25	1.2 Domestic Diesel	18,120,350	3,438,270	12,360,125	-	-	86,975	824,774	302,822	39,379	87,901	165,519	215,806	80,071	58,934	-	459,775	-
26	1.2G Government Domestic Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	1.23 Churches, Schools & Com Halls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2.1 GS 0-10 kW	3,480,251	540,080	2,497,116	-	-	13,662	129,555	61,066	6,186	17,726	26,000	43,518	30,315	22,313	-	92,716	-
29	2.2 GS 10-100 kW	8,922,720	1,476,971	6,849,413	-	-	37,362	354,297	20,428	16,916	5,930	71,102	14,558	25,765	18,964	-	31,015	-
30	2.3 GS 110-1,000 kVa	1,839,239	109,301	1,687,971	-	-	2,765	26,219	876	1,252	254	5,262	624	1,950	1,435	-	1,330	-
31	2.4 GS Over 1,000 kVa	1,542,664	68,122	1,451,338	-	-	1,723	16,341	146	780	42	3,279	104	326	240	-	222	-
32	2.5 GS Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	2.5G Gov't General Service Diesel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	4.1 Street and Area Lighting	346,187	58,681	178,709	-	-	1,484	14,076	12,197	672	3,541	2,825	8,692	-	-	46,791	18,519	-
35	4.1G Gov't Street and Area Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Total	34,251,411	5,691,424	25,024,672	-	-	143,972	1,365,262	397,535	65,185	115,393	273,986	283,302	138,426	101,886	46,791	603,577	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2C
Page 4 of 4

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19		Basis of Proration
			Revenue Related		Revenue Related		
			Municipal Tax (\$)	PUB Assessment (\$)	Municipal Tax (\$)	PUB Assessment (\$)	
		Total Revenue Requirement					
1		1.2 Domestic Diesel	81,771	4,236			
2		1.2G Government Domestic Diesel	-	-			
3		1.23 Churches, Schools & Com Halls	-	-			
4		2.1 GS 0-10 kW	29,065	1,506			
5		2.2 GS 10-100 kW	51,903	2,689			
6		2.3 GS 110-1,000 kVa	4,737	245			
7		2.4 GS Over 1,000 kVa	6,377	330			
8		2.5 GS Diesel	-	-			
9		2.5G Gov't General Service Diesel	-	-			
10		4.1 Street and Area Lighting	3,055	158			
11		4.1G Gov't Street and Area Lighting	-	-			
12		Total	176,907	9,165			
		Re-classification of Revenue-Related					
13		1.2 Domestic Diesel	(81,771)	(4,236)	Re-classification to demand, energy and customer is based on rate class revenue requirements excluding revenue-related items.		
14		1.2G Government Domestic Diesel	-	-			
15		1.23 Churches, Schools & Com Halls	-	-			
16		2.1 GS 0-10 kW	(29,065)	(1,506)			
17		2.2 GS 10-100 kW	(51,903)	(2,689)			
18		2.3 GS 110-1,000 kVa	(4,737)	(245)			
19		2.4 GS Over 1,000 kVa	(6,377)	(330)			
20		2.5 GS Diesel	-	-			
21		2.5G Gov't General Service Diesel	-	-			
22		4.1 Street and Area Lighting	(3,055)	(158)			
23		4.1G Gov't Street and Area Lighting	-	-			
24		Total	(176,907)	(9,165)			
		Total Allocated Revenue Requirement					
25		1.2 Domestic Diesel	-	-			
26		1.2G Government Domestic Diesel	-	-			
27		1.23 Churches, Schools & Com Halls	-	-			
28		2.1 GS 0-10 kW	-	-			
29		2.2 GS 10-100 kW	-	-			
30		2.3 GS 110-1,000 kVa	-	-			
31		2.4 GS Over 1,000 kVa	-	-			
32		2.5 GS Diesel	-	-			
33		2.5G Gov't General Service Diesel	-	-			
34		4.1 Street and Area Lighting	-	-			
35		4.1G Gov't Street and Area Lighting	-	-			
36		Total	-	-			

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	1	2	3	4	5	6-15										16	17
						Production and Transmission					Distribution						
Description	Total Amount (\$)	Production Demand (\$)	Transmission Energy (\$)	Transmission Demand (\$)	Substations Demand (\$)	Primary Lines Demand (\$)	Customer (\$)	Line Transformers Demand (\$)	Customer (\$)	Secondary Lines Demand (\$)	Customer (\$)	Services Customer (\$)	Meters Customer (\$)	Street Lightin Customer (\$)	Customer (\$)	Customer (\$)	
Expenses																	
1	Operating & Maintenance	1,553,095	637,476	-	-	6,320	372,974	109,499	17,130	30,321	68,595	73,269	16,100	22,670	6,616	115,819	-
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Fuels-Diesel	585,108	-	585,108	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuels-Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Power Purchases -CF(L)Co	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Power Purchases-Other	2,657,696	-	2,657,696	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Depreciation	435,508	228,343	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	-
Expense Credits																	
8	Sundry	(7,777)	(3,192)	-	-	(32)	(1,868)	(548)	(86)	(152)	(343)	(367)	(81)	(114)	(33)	(580)	-
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Suppliers' Discounts	(1,212)	(497)	-	-	(5)	(291)	(85)	(13)	(24)	(54)	(57)	(13)	(18)	(5)	(90)	-
12	Pole Attachments	(69,837)	-	-	-	-	(40,390)	(13,803)	-	-	(7,149)	(8,494)	-	-	-	-	-
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Application Fees	(412)	-	-	-	-	-	-	-	-	-	-	-	-	-	(412)	-
16	Meter Test Revenues	(110)	-	-	-	-	-	-	-	-	-	-	-	(110)	-	-	-
17	Total Expense Credits	(79,348)	(3,689)	-	-	(37)	(42,549)	(14,437)	(99)	(175)	(7,546)	(8,918)	(93)	(241)	(38)	(1,082)	-
18	Subtotal Expenses	5,152,059	862,129	3,242,804	-	9,553	421,052	122,485	25,880	45,810	75,581	80,945	22,606	36,255	11,523	119,573	-
19	Disposal Gain / Loss	70,800	33,389	-	-	504	18,097	5,551	1,098	1,943	2,939	3,369	2,093	1,135	314	368	-
20	Subtotal Revenue Requirement Ex. Return	5,222,859	895,518	3,242,804	-	10,057	439,149	128,036	26,978	47,753	78,520	84,314	24,700	37,390	11,837	119,941	-
21	Return on Debt	549,258	257,774	2,126	-	3,866	140,130	42,946	8,456	14,969	22,819	26,121	15,994	8,756	2,431	2,871	-
22	Return on Equity	206,904	97,103	801	-	1,456	52,787	16,177	3,186	5,639	8,596	9,840	6,025	3,298	916	1,082	-
23	Total Revenue Requirement	5,979,022	1,250,395	3,245,731	-	15,379	632,066	187,160	38,620	68,360	109,934	120,274	46,719	49,445	15,183	123,893	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	Description	Revenue Related		Basis of Functional Classification
		Municipal Tax (\$)	PUB Assessment (\$)	
	Expenses			
1	Operating & Maintenance	72,546	3,758	Carryforward from Sch.2.4 L.24
2	Fuels	-	-	Production - Energy
3	Fuels-Diesel	-	-	Production - Energy
4	Fuels-Gas Turbine	-	-	Production - Energy
5	Power Purchases -CF(L)Co	-	-	
6	Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.13
7	Depreciation	-	-	Carryforward from Sch.2.5 L.23
	Expense Credits			
8	Sundry	(363)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
9	Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.17
10	Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
11	Suppliers' Discounts	(57)	(3)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24
12	Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37
13	Secondary Energy Revenues	-	-	Production - Energy
14	Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16
15	Application Fees	-	-	Accounting - Customer
16	Meter Test Revenues	-	-	Meters - Customer
17	Total Expense Credits	(420)	(22)	
18	Subtotal Expenses	72,126	3,737	
19	Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.23
20	Subtotal Revenue Requirement Ex. Return	72,126	3,737	
21	Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8
22	Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10
23	Total Revenue Requirement	72,126	3,737	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup

Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Customer (\$)	12 Customer (\$)		
Production																	
1	Diesel	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	8,253,654	8,253,654	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	153,816	66,299	-	-	87,518	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	66,393	-	-	-	-	50,057	6,377	-	-	5,806	4,153	-	-	-	-	
8	Poles	7,062,374	-	-	-	-	4,084,510	1,395,892	-	-	722,961	859,011	-	-	-	-	
9	Primary Conductor & Equipment	1,278,301	-	-	-	-	1,133,853	144,448	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	670,272	-	-	-	-	-	-	241,968	428,304	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	411,959	-	-	-	-	-	-	-	-	240,172	171,787	-	-	-	-	
13	Services	227,423	-	-	-	-	-	-	-	-	-	-	227,423	-	-	-	
14	Meters	267,499	-	-	-	-	-	-	-	-	-	-	-	267,499	-	-	
15	Street Lighting	93,455	-	-	-	-	-	-	-	-	-	-	-	-	93,455	-	
16	Subtotal Distribution	10,231,494	66,299	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
17	Subttl Prod, Trans, & Dist	18,485,147	8,319,952	-	-	87,518	5,268,420	1,546,717	241,968	428,304	968,939	1,034,950	227,423	267,499	93,455	-	
18	General	1,621,900	685,657	-	-	6,712	404,063	118,626	18,558	32,849	74,313	79,376	17,442	25,322	7,168	151,814	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	37,306	16,791	-	-	177	10,632	3,121	488	864	1,955	2,089	459	540	189	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Plant	20,144,353	9,022,400	-	-	94,407	5,683,116	1,668,465	261,014	462,017	1,045,208	1,116,415	245,324	293,361	100,812	151,814	

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup

Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	Description	Basis of Functional Classification
	1	18
	Production	
1	Diesel	Production - Demand, Energy ratios Sch.4.1 L.8
2	Subtotal Production	
	Transmission	
3	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
4	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
5	Subtotal Transmission	
	Distribution	
6	Substation Structures & Equipment	Production - Demand; Dist Substns - Demand
7	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
8	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
9	Primary Conductor & Equipment	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
10	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
11	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
12	Secondary Conductors & Equipment	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
13	Services	Services Customer
14	Meters	Meters - Customer
15	Street Lighting	Street Lighting - Customer
16	Subtotal Distribution	
17	Subttl Prod, Trans, & Dist	
18	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
19	Telecontrol - Specific	Specifically Assigned - Customer
20	Feasibility Studies	Production, Transmission - Demand
21	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.17
22	Software - Cust Acctng	Customer Accounting
23	Total Plant	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and		11 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	12 Meters Customer (\$)	13 Street Lighting Customer (\$)			
Production																	
1	Diesel	4,695,369	4,695,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	4,695,369	4,695,369	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	85,750	13,428	-	-	72,322	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	19,937	-	-	-	-	15,032	1,915	-	-	1,744	1,247	-	-	-	-	
8	Poles	3,690,889	-	-	-	-	2,134,618	729,512	-	-	377,829	448,930	-	-	-	-	
9	Primary Conductor & Equipment	440,736	-	-	-	-	390,933	49,803	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	432,823	-	-	-	-	-	-	156,249	276,574	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	51,198	-	-	-	-	-	-	-	-	29,849	21,350	-	-	-	-	
13	Services	304,411	-	-	-	-	-	-	-	-	-	-	304,411	-	-	-	
14	Meters	159,346	-	-	-	-	-	-	-	-	-	-	-	159,346	-	-	
15	Street Lighting	43,987	-	-	-	-	-	-	-	-	-	-	-	-	43,987	-	
16	Subtotal Distribution	5,229,078	13,428	-	-	72,322	2,540,583	781,230	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
17	Subttl Prod, Trans, & Dist	9,924,446	4,708,797	-	-	72,322	2,540,583	781,230	156,249	276,574	409,421	471,527	304,411	159,346	43,987	-	
18	General	585,888	247,684	-	-	2,425	145,962	42,852	6,704	11,866	26,845	28,673	6,301	9,147	2,589	54,841	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	30,288	14,371	-	-	221	7,754	2,384	477	844	1,250	1,439	929	486	134	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Net Book Value	10,540,623	4,970,851	-	-	74,967	2,694,298	826,466	163,430	289,284	437,515	501,639	311,641	168,979	46,711	54,841	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$) Customer (\$)		9 Line Transformers Demand (\$) Customer (\$)		11 Secondary Lines Demand (\$) Customer (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Diesel	360,321	360,321	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	44,529	44,529	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	404,850	404,850	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	454,593	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	-	4,264	-	
9	Meters	15,063	-	-	-	-	-	-	-	-	-	-	-	15,063	-	-	
10	Subtotal Distribution	469,656	3,025	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-	
11	Subttl Prod, Trans, & Dist	874,506	407,874	-	-	3,993	240,364	70,567	11,039	19,541	44,206	47,218	10,376	15,063	4,264	-	
12	Customer Accounting	90,309	-	-	-	-	-	-	-	-	-	-	-	-	-	90,309	
Administrative & General:																	
Plant-Related:																	
13	Production	91,127	91,127	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Distribution	113,348	734	-	-	970	58,365	17,135	2,681	4,745	10,734	11,466	2,519	2,963	1,035	-	
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Prod,Trans, Distn & General Plt	3,074	1,377	-	-	14	867	255	40	71	159	170	37	45	15	23	
18	Property Insurance	14,284	12,826	-	-	134	575	169	26	47	106	113	25	36	10	216	
Revenue Related:																	
19	Municipal Tax	72,546	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	PUB Assessment	3,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	All Expense-Related	269,981	114,134	-	-	1,117	67,260	19,746	3,089	5,468	12,370	13,213	2,903	4,215	1,193	25,271	
22	Prod, Trans, and Distn Expense-Related	20,162	9,404	-	-	92	5,542	1,627	255	451	1,019	1,089	239	347	98	-	
23	Subtotal Admin & General	588,280	229,602	-	-	2,328	132,610	38,932	6,091	10,781	24,389	26,050	5,724	7,607	2,352	25,510	
24	Total Operating & Maintenance Expenses	1,553,095	637,476	-	-	6,320	372,974	109,499	17,130	30,321	68,595	73,269	16,100	22,670	6,616	115,819	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4D

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	18 19		20 Basis of Functional Classification
		Municipal Tax	PUB Assessment	
		Revenue Related		
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	Subtotal Production	<u>-</u>	<u>-</u>	
	Transmission			
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.3
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.4
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
7	Subtotal Transmission	<u>-</u>	<u>-</u>	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
9	Meters	-	-	Meters - Customer
10	Subtotal Distribution	<u>-</u>	<u>-</u>	
11	Subttl Prod, Trans, & Dist	<u>-</u>	<u>-</u>	
12	Customer Accounting	-	-	Accounting - Customer
	Administrative & General:			
	Plant-Related:			
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.2
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.5
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.16
16	Prod., Trans, Distn Plant	-	-	Prorated on Production, Transmission & Distribution Plant in Service - Sch.2.2 L.17
17	Prod,Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.23
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.2, 4, 6, 18 - 19
	Revenue Related:			
19	Municipal Tax	72,546	-	Revenue-related
20	PUB Assessment	-	3,758	Revenue-related
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L.11, 12
22	Prod, Trans, and Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11
23	Subtotal Admin & General	<u>72,546</u>	<u>3,758</u>	
24	Total Operating & Maintenance Expenses	<u>72,546</u>	<u>3,758</u>	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Depreciation Expense

Line No.	1 Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission		5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
				4 Transmission Energy (\$)	5 Transmission Demand (\$)	6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lightin Customer (\$)		
Production																	
1	Diesel	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Subtotal Production	202,525	202,525	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
3	Lines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Terminal Stations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Subtotal Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution																	
6	Substation Structures & Equipment	3,432	429	-	-	3,003	-	-	-	-	-	-	-	-	-	-	
7	Land & Land Improvements	505	-	-	-	-	381	48	-	-	44	32	-	-	-	-	
8	Poles	108,921	-	-	-	-	62,994	21,528	-	-	11,150	13,248	-	-	-	-	
9	Primary Conductor & Equipment	14,707	-	-	-	-	13,045	1,662	-	-	-	-	-	-	-	-	
10	Submarine Conductor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Transformers	22,483	-	-	-	-	-	-	8,116	14,366	-	-	-	-	-	-	
12	Secondary Conductors & Equipment	1,306	-	-	-	-	-	-	-	-	762	545	-	-	-	-	
13	Services	5,940	-	-	-	-	-	-	-	-	-	-	5,940	-	-	-	
14	Meters	12,796	-	-	-	-	-	-	-	-	-	-	-	12,796	-	-	
15	Street Lighting	4,636	-	-	-	-	-	-	-	-	-	-	-	-	4,636	-	
16	Subtotal Distribution	174,725	429	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
17	Subtotal Prod Tran & Dist	377,250	202,954	-	-	3,003	76,420	23,239	8,116	14,366	11,956	13,825	5,940	12,796	4,636	-	
18	General	51,660	21,839	-	-	214	12,870	3,778	591	1,046	2,367	2,528	556	807	228	4,835	
19	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Software - General	6,599	3,550	-	-	53	1,337	406	142	251	209	242	104	224	81	-	
22	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	Total Depreciation Expense	435,508	228,343	-	-	3,269	90,626	27,424	8,849	15,664	14,532	16,595	6,599	13,827	4,945	4,835	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.6D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmission Demand (\$)	Distribution											16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)			
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)						
1	Average Net Book Value	10,540,623	4,970,851	-	-	74,967	2,694,298	826,466	163,430	289,284	437,515	501,639	311,641	168,979	46,711	54,841	-	
2	Cash Working Capital	45,990	21,688	-	-	327	11,755	3,606	713	1,262	1,909	2,189	1,360	737	204	239	-	
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuel Inventory - Diesel	44,283	-	44,283	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Fuel Inventory - Gas Turbine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Inventory/Supplies	217,976	97,629	-	-	1,022	61,495	18,054	2,824	4,999	11,310	12,080	2,655	3,174	1,091	1,643	-	
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	592,531	279,432	-	-	4,214	151,457	46,459	9,187	16,262	24,595	28,199	17,519	9,499	2,626	3,083	-	
8	Total Rate Base	11,441,402	5,369,600	44,283	-	80,530	2,919,006	894,585	176,154	311,808	475,328	544,108	333,174	182,390	50,631	59,805	-	
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Rate Base Available for Equity Return	11,441,402	5,369,600	44,283	-	80,530	2,919,006	894,585	176,154	311,808	475,328	544,108	333,174	182,390	50,631	59,805	-	
11	Return on Debt	549,258	257,774	2,126	-	3,866	140,130	42,946	8,456	14,969	22,819	26,121	15,994	8,756	2,431	2,871	-	
12	Return on Equity	206,904	97,103	801	-	1,456	52,787	16,177	3,186	5,639	8,596	9,840	6,025	3,298	916	1,082	-	
13	Return on Rate Base	756,162	354,877	2,927	-	5,322	192,917	59,123	11,642	20,607	31,414	35,960	22,019	12,054	3,346	3,953	-	

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 L'Anse au Loup
 Functional Classification of Rate Base (CONT'D.)

1	18	
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 23
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	Production - Energy
4	Fuel Inventory - Diesel	
5	Fuel Inventory - Gas Turbine	
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 23
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.1D
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand (CP kW)	4 Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6-15 Distribution										16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
						6 Substations Demand (CP kW)	7 Primary Lines Demand Customer (CP kW) (Rural Cust)		8 Line Transformers Demand Customer (CP kW) (Rural Cust)		9 Secondary Lines Demand Customer (CP kW) (Rural Cust)		10 Services Customer (Wtd Rural Cust)	11 Meters Customer	12 Street Lighting Customer		
Amounts																	
1	1.1 Domestic Diesel	-	1,199	4,441	1,199	1,141	1,141	407	1,053	407	1,053	407	407	407	-	407	-
2	1.12 Domestic All Electric	-	2,844	11,369	2,844	2,704	2,704	386	2,497	386	2,497	386	386	386	-	386	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	-	1,411	6,942	1,411	1,341	1,341	209	1,239	209	1,239	209	997	997	-	209	-
5	2.3 GS 110-1,000 kVa	-	246	2,055	246	234	234	5	216	5	216	5	42	42	-	5	-
6	4.1 Street and Area Lighting	-	36	146	36	35	35	33	32	33	32	33	-	-	1	33	-
7	Total	-	5,736	24,953	5,736	5,455	5,455	1,040	5,037	1,040	5,037	1,040	1,832	1,832	1	1,040	0
Ratios																	
8	1.1 Domestic Diesel	-	0.2091	0.1780	0.2091	0.2091	0.2091	0.3915	0.2091	0.3915	0.2091	0.3915	0.2222	0.2222	-	0.3915	-
9	1.12 Domestic All Electric	-	0.4958	0.4556	0.4958	0.4958	0.4958	0.3713	0.4958	0.3713	0.4958	0.3713	0.2107	0.2107	-	0.3713	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	-	0.2459	0.2782	0.2459	0.2459	0.2459	0.2011	0.2459	0.2011	0.2459	0.2011	0.5442	0.5442	-	0.2011	-
12	2.3 GS 110-1,000 kVa	-	0.0428	0.0824	0.0428	0.0428	0.0428	0.0048	0.0428	0.0048	0.0428	0.0048	0.0230	0.0230	-	0.0048	-
13	4.1 Street and Area Lighting	-	0.0064	0.0059	0.0064	0.0064	0.0064	0.0313	0.0064	0.0313	0.0064	0.0313	-	-	1.0000	0.0313	-
14	Total	-	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 L'Anse au Loup
 Basis of Allocation to Classes of Service (CONT'D.)

Line No.	1 Description	Revenue Related	
		18 Municipal Tax (Prior Year (Rural Revenues)	19 PUB Assessment (Prior Year (Revenues + RSP)
Amounts			
1	1.1 Domestic Diesel	570,211	570,211
2	1.12 Domestic All Electric	1,122,691	1,122,691
3	2.1 GS 0-10 kW	-	-
4	2.2 GS 10-100 kW	709,945	709,945
5	2.3 GS 110-1,000 kVa	272,034	272,034
6	4.1 Street and Area Lighting	45,335	45,335
7	Total	2,720,217	2,720,217
Ratios			
8	1.1 Domestic Diesel	0.2096	0.2096
9	1.12 Domestic All Electric	0.4127	0.4127
10	2.1 GS 0-10 kW	-	-
11	2.2 GS 10-100 kW	0.2610	0.2610
12	2.3 GS 110-1,000 kVa	0.1000	0.1000
13	4.1 Street and Area Lighting	0.0167	0.0167
14	Total	1.0000	1.0000

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2D
Page 1 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Transmission Energy (\$)	4 Transmsn Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)	12 Street Lightin Customer (\$)		
Allocated Revenue Requirement Excluding Return																	
1	1.1 Domestic Diesel	1,058,834	187,256	577,091	-	2,103	91,828	50,131	5,641	18,697	16,419	33,012	5,487	8,306	-	46,961	-
2	1.12 Domestic All Electric	2,381,951	443,981	1,477,443	-	4,986	217,722	47,544	13,375	17,732	38,929	31,309	5,204	7,878	-	44,538	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,388,808	220,228	902,168	-	2,473	107,997	25,743	6,634	9,601	19,310	16,952	13,441	20,347	-	24,115	-
5	2.3 GS 110-1,000 kVa	340,070	38,364	267,102	-	431	18,813	616	1,156	230	3,364	406	568	859	-	577	-
6	4.1 Street and Area Lighting	53,195	5,689	18,999	-	64	2,790	4,003	171	1,493	499	2,636	-	-	11,837	3,750	-
7	Total	5,222,859	895,518	3,242,804	-	10,057	439,149	128,036	26,978	47,753	78,520	84,314	24,700	37,390	11,837	119,941	-
Allocated Return on Debt and Equity																	
8	1.1 Domestic Diesel	179,597	74,206	521	-	1,113	40,340	23,149	2,434	8,068	6,569	14,080	4,892	2,678	-	1,548	-
9	1.12 Domestic All Electric	348,511	175,941	1,333	-	2,639	95,645	21,954	5,772	7,652	15,575	13,353	4,639	2,540	-	1,468	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	190,024	87,272	814	-	1,309	47,443	11,887	2,863	4,143	7,726	7,230	11,982	6,560	-	795	-
12	2.3 GS 110-1,000 kVa	27,139	15,203	241	-	228	8,264	284	499	99	1,346	173	506	277	-	19	-
13	4.1 Street and Area Lighting	10,891	2,255	17	-	34	1,226	1,848	74	644	200	1,124	-	-	3,346	124	-
14	Total	756,162	354,877	2,927	-	5,322	192,917	59,123	11,642	20,607	31,414	35,960	22,019	12,054	3,346	3,953	-

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 L'Anse au Loup
 Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1 Description	18 Revenue Related		19 Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
Allocated Revenue Requirement Excluding Return				
1	1.1 Domestic Diesel	15,119	783	
2	1.12 Domestic All Electric	29,768	1,542	
3	2.1 GS 0-10 kW	-	-	
4	2.2 GS 10-100 kW	18,824	975	
5	2.3 GS 110-1,000 kVa	7,213	374	
6	4.1 Street and Area Lighting	1,202	62	
7	Total	72,126	3,737	
Allocated Return on Debt and Equity				
8	1.1 Domestic Diesel	-	-	
9	1.12 Domestic All Electric	-	-	
10	2.1 GS 0-10 kW	-	-	
11	2.2 GS 10-100 kW	-	-	
12	2.3 GS 110-1,000 kVa	-	-	
13	4.1 Street and Area Lighting	-	-	
14	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production and Transmission Energy (\$)	5 Transmsn Demand (\$)	Distribution											17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Customer (\$)	11 Customer (\$)	12 Customer (\$)	13 Customer (\$)	
Total Revenue Requirement																	
1	1.1 Domestic Diesel	1,238,431	261,462	577,612	-	3,216	132,167	73,279	8,076	26,765	22,988	47,091	10,379	10,984	-	48,509	-
2	1.12 Domestic All Electric	2,730,462	619,923	1,478,777	-	7,625	313,367	69,498	19,147	25,384	54,503	44,662	9,843	10,418	-	46,006	-
3	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	2.2 GS 10-100 kW	1,578,832	307,500	902,982	-	3,782	155,439	37,630	9,497	13,744	27,035	24,182	25,423	26,906	-	24,910	-
5	2.3 GS 110-1,000 kVa	367,210	53,566	267,343	-	659	27,077	900	1,654	329	4,710	579	1,074	1,136	-	596	-
6	4.1 Street and Area Lighting	64,087	7,944	19,016	-	98	4,015	5,852	245	2,137	698	3,760	-	-	15,183	3,874	-
7	Total	5,979,022	1,250,395	3,245,731	-	15,379	632,066	187,160	38,620	68,360	109,934	120,274	46,719	49,445	15,183	123,893	-
Re-classification of Revenue-Related																	
8	1.1 Domestic Diesel	0	3,401	7,513	-	42	1,719	953	105	348	299	613	135	143	-	631	-
9	1.12 Domestic All Electric	0	7,191	17,154	-	88	3,635	806	222	294	632	518	114	121	-	534	-
10	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	2.2 GS 10-100 kW	-	3,905	11,468	-	48	1,974	478	121	175	343	307	323	342	-	316	-
12	2.3 GS 110-1,000 kVa	-	1,130	5,640	-	14	571	19	35	7	99	12	23	24	-	13	-
13	4.1 Street and Area Lighting	0	160	383	-	2	81	118	5	43	14	76	-	-	306	78	-
14	Total	0	15,787	42,158	-	194	7,980	2,374	488	867	1,388	1,526	595	629	306	1,572	-
Total Allocated Revenue Requirement																	
15	1.1 Domestic Diesel	1,238,431	264,863	585,126	-	3,258	133,886	74,233	8,181	27,114	23,287	47,704	10,514	11,127	-	49,140	-
16	1.12 Domestic All Electric	2,730,462	627,114	1,495,931	-	7,713	317,002	70,305	19,369	25,679	55,136	45,180	9,958	10,538	-	46,539	-
17	2.1 GS 0-10 kW	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	2.2 GS 10-100 kW	1,578,832	311,405	914,450	-	3,830	157,413	38,108	9,618	13,919	27,379	24,489	25,746	27,248	-	25,226	-
19	2.3 GS 110-1,000 kVa	367,210	54,696	272,983	-	673	27,649	919	1,689	336	4,809	591	1,096	1,160	-	608	-
20	4.1 Street and Area Lighting	64,087	8,104	19,399	-	100	4,096	5,969	250	2,180	712	3,836	-	-	15,488	3,951	-
21	Total	5,979,022	1,266,182	3,287,888	-	15,573	640,046	189,534	39,107	69,228	111,322	121,800	47,314	50,074	15,488	125,465	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	1	Description	18		19	Basis of Proration
			Revenue Related			
			Municipal	PUB		
			Tax	Assessment		
			(\$)	(\$)		
		Total Revenue Requirement				
1		1.1 Domestic Diesel	15,119	783		
2		1.12 Domestic All Electric	29,768	1,542		
3		2.1 GS 0-10 kW	-	-		
4		2.2 GS 10-100 kW	18,824	975		
5		2.3 GS 110-1,000 kVa	7,213	374		
6		4.1 Street and Area Lighting	1,202	62		
7		Total	72,126	3,737		
		Re-classification of Revenue-Related				
8		1.1 Domestic Diesel	(15,119)	(783)		Re-classification to demand, energy and customer is based on rate class revenue
9		1.12 Domestic All Electric	(29,768)	(1,542)		requirements excluding revenue-related items.
10		2.1 GS 0-10 kW	-	-		
11		2.2 GS 10-100 kW	(18,824)	(975)		
12		2.3 GS 110-1,000 kVa	(7,213)	(374)		
13		4.1 Street and Area Lighting	(1,202)	(62)		
14		Total	(72,126)	(3,737)		
		Total Allocated Revenue Requirement				
15		1.1 Domestic Diesel	-	-		
16		1.12 Domestic All Electric	-	-		
17		2.1 GS 0-10 kW	-	-		
18		2.2 GS 10-100 kW	-	-		
19		2.3 GS 110-1,000 kVa	-	-		
20		4.1 Street and Area Lighting	-	-		
21		Total	-	-		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.1E
Page 1 of 2

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Revenue Requirement

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations		7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters			12 Street Lighting
						Demand (\$)	Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)			Customer (\$)
Expenses																		
1	Operating & Maintenance	11,386,683	929,391	-	4,358,963	731,647	1,406,185	370,108	303,926	537,973	194,820	215,515	94,319	196,626	42,076	1,500,513	-	
2	Fuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Fuels-Diesel	74,521	74,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Fuels-Gas Turbine	199,303	199,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Power Purchases -CF(L)Co	1,856,851	542,700	1,314,151	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Power Purchases-Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Depreciation	3,487,229	381,913	-	685,269	677,730	510,461	147,314	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-	
Expense Credits																		
8	Sundry	(57,018)	(4,654)	-	(21,827)	(3,664)	(7,041)	(1,853)	(1,522)	(2,694)	(976)	(1,079)	(472)	(985)	(211)	(7,514)	-	
9	Building Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Tax Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Suppliers' Discounts	(8,883)	(725)	-	(3,400)	(571)	(1,097)	(289)	(237)	(420)	(152)	(168)	(74)	(153)	(33)	(1,171)	-	
12	Pole Attachments	(255,733)	-	-	-	-	(147,903)	(50,546)	-	-	(26,179)	(31,105)	-	-	-	-	-	
13	Secondary Energy Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Wheeling Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Application Fees	(13,016)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,016)	-	
16	Meter Test Revenues	(943)	-	-	-	-	-	-	-	-	-	-	-	(943)	-	-	-	
17	Total Expense Credits	(335,593)	(5,379)	-	(25,228)	(4,234)	(156,041)	(52,688)	(1,759)	(3,114)	(27,306)	(32,353)	(546)	(2,081)	(244)	(21,700)	-	
18	Subtotal Expenses	16,668,993	2,122,449	1,314,151	5,019,004	1,405,143	1,760,605	464,733	518,023	916,944	254,819	278,502	144,138	315,660	87,282	1,565,840	-	
19	Disposal Gain / Loss	41,737	3,617	-	7,297	8,159	8,190	2,377	2,260	4,000	1,491	1,596	1,134	742	213	662	-	
20	Subtotal Revenue Requirement Ex. Return	16,710,730	2,126,065	1,314,151	5,026,301	1,413,302	1,768,795	467,111	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-	
21	Return on Debt	4,440,963	403,457	-	776,847	860,330	869,198	251,913	238,904	422,881	157,614	168,748	119,292	78,678	22,703	70,398	-	
22	Return on Equity	1,672,899	151,981	-	292,636	324,084	327,425	94,895	89,995	159,298	59,373	63,567	44,937	29,638	8,552	26,519	-	
23	Total Revenue Requirement	22,824,593	2,681,503	1,314,151	6,095,783	2,597,716	2,965,417	813,918	849,182	1,503,122	473,298	512,413	309,501	424,717	118,750	1,663,419	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.1E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

Line No.	1	Description	18		19	20
			Revenue Related		Basis of Functional Classification	
			Municipal Tax	PUB Assessment		
		Expenses				
1		Operating & Maintenance	480,471	24,151	Carryforward from Sch.2.4 L.24	
2		Fuels	-	-		
3		Fuels-Diesel	-	-	Production - Demand	
4		Fuels-Gas Turbine	-	-	Production - Demand	
5		Power Purchases -CF(L)Co	-	-	Carryforward from Sch.4.4 L.9	
6		Power Purchases-Other	-	-	Carryforward from Sch.4.4 L.10	
7		Depreciation	-	-	Carryforward from Sch.2.5 L.24	
		Expense Credits				
8		Sundry	(2,406)	(121)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
9		Building Rental Income	-	-	Prorated on Production, Transmission & Distribution Plant - Sch.2.2 L.18	
10		Tax Refunds	-	-	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
11		Suppliers' Discounts	(375)	(19)	Prorated on Total Operating & Maintenance Expenses - Sch 2.4 L.24	
12		Pole Attachments	-	-	Prorated on Distribution Poles - Sch.4.1 L.37	
13		Secondary Energy Revenues	-	-	Production - Energy	
14		Wheeling Revenues	-	-	Transmission - Demand, Energy ratios Sch.4.1 L.16	
15		Application Fees	-	-	Accounting - Customer	
16		Meter Test Revenues	-	-	Meters - Customer	
17		Total Expense Credits	(2,781)	(140)		
18		Subtotal Expenses	477,690	24,011		
19		Disposal Gain / Loss	-	-	Prorated on Total Net Book Value - Sch.2.3 L.24	
20		Subtotal Revenue Requirement Ex. Return	477,690	24,011		
21		Return on Debt	-	-	Prorated on Rate Base - Sch.2.6 L.8	
22		Return on Equity	-	-	Prorated on Rate Base - Sch.2.6 L.10	
23		Total Revenue Requirement	477,690	24,011		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Plant in Service for the Allocation of O&M Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines Demand (\$)		9 Line Transformers Demand (\$)		11 Secondary Lines Demand (\$)		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
Production																	
1	Gas Turbines	23,666,030	23,666,030	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	3,323,334	3,323,334	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	26,989,364	26,989,364	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Lines	17,100,852	-	-	17,100,852	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,092,147	-	-	6,420,032	11,672,115	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	35,192,999	-	-	23,520,884	11,672,115	-	-	-	-	-	-	-	-	-	-	
Distribution																	
7	Substations	5,667,946	-	-	-	5,667,946	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	1,083,634	-	-	-	-	817,006	104,083	-	-	94,764	67,781	-	-	-	-	
9	Poles	30,428,760	-	-	-	-	17,598,412	6,014,305	-	-	3,114,931	3,701,111	-	-	-	-	
10	Primary Conductor & Eqpt	9,200,174	-	-	-	-	8,160,554	1,039,620	-	-	-	-	-	-	-	-	
11	Submarine Conductor	620,108	-	-	-	-	620,108	-	-	-	-	-	-	-	-	-	
12	Transformers	16,282,605	-	-	-	-	-	-	5,878,020	10,404,585	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	957,432	-	-	-	-	-	-	-	558,183	399,249	-	-	-	-	-	
14	Services	1,824,154	-	-	-	-	-	-	-	-	-	1,824,154	-	-	-	-	
15	Meters	2,288,365	-	-	-	-	-	-	-	-	-	-	2,288,365	-	-	-	
16	Street Lighting	813,762	-	-	-	-	-	-	-	-	-	-	-	813,762	-	-	
17	Subtotal Distribution	69,166,939	-	-	-	5,667,946	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
18	Subtl Prod, Trans, & Dist	131,349,302	26,989,364	-	23,520,884	17,340,061	27,196,080	7,158,008	5,878,020	10,404,585	3,767,878	4,168,141	1,824,154	2,288,365	813,762	-	
19	General	16,334,186	1,039,489	-	7,136,203	899,853	1,912,135	503,274	413,279	731,538	264,917	293,059	128,255	297,178	57,215	2,657,793	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	265,081	54,468	-	47,468	34,995	54,885	14,446	11,863	20,998	7,604	8,412	3,681	4,618	1,642	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Plant	147,948,569	28,083,321	-	30,704,555	18,274,908	29,163,100	7,675,728	6,303,162	11,157,121	4,040,398	4,469,612	1,956,091	2,590,160	872,619	2,657,793	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.2E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
 2015 Test Year Cost of Service - Rate Setting
 Labrador Interconnected
 Functional Classification of Plant in Service for the Allocation of O&M Expense (CONT'D.)

Line No.	1	18
Line No.	Description	Basis of Functional Classification
	Production	
1	Gas Turbines	Production - Demand, Energy ratios Sch.4.1 L.9
2	Diesel	Production - Demand, Energy ratios Sch.4.1 L.9
3	Subtotal Production	
	Transmission	
4	Lines	Production, Transmission - Demand; Distribution - Primary Demand; Spec Assigned - Custmr
5	Terminal Stations	Production, Transmission - Demand; Spec Assigned - Custmr
6	Subtotal Transmission	
	Distribution	
7	Substations	Production - Demand; Dist Subsns - Demand
8	Land & Land Improvements	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.32
9	Poles	Primary, Secondary - Demand, Customer - zero intercept ratios Sch.4.1 L.37
10	Primary Conductor & Eqpt	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.38
11	Submarine Conductor	Primary - Demand, Customer - zero intercept ratios Sch.4.1 L.39
12	Transformers	Transformers - Demand, Customer - zero intercept ratios Sch.4.1 L.40
13	Secondary Conductor&Eqpt	Secondary - Demand, Customer - zero intercept ratios Sch. 4.1 L.41
14	Services	Services Customer
15	Meters	Meters - Customer
16	Street Lighting	Street Lighting - Customer
17	Subtotal Distribution	
18	Subttl Prod, Trans, & Dist	
19	General	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - Sch.2.4 L.11, 12
20	Telecontrol - Specific	Specifically Assigned - Customer
21	Feasibility Studies	Production, Transmission - Demand
22	Software - General	Prorated on subtotal Production, Transmission, & Distribution plant - L.18
23	Software - Cust Acctng	
24	Total Plant	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Net Book Value

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)	
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)	11 Meters Customer (\$)			12 Street Lighting Customer (\$)
						6 Demand (\$)	7 Customer (\$)	8 Demand (\$)	9 Customer (\$)	10 Demand (\$)	11 Customer (\$)	12 Demand (\$)	13 Customer (\$)	14 Customer (\$)	15 Customer (\$)			
Production																		
1	Gas Turbines	6,276,550	6,276,550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Diesel	580,257	580,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	6,856,807	6,856,807	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																		
4	Lines	7,907,366	-	-	7,907,366	-	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	18,265,060	-	-	3,363,187	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
6	Subtotal Transmission	26,172,426	-	-	11,270,553	14,901,873	-	-	-	-	-	-	-	-	-	-	-	
Distribution																		
7	Substations	1,300,884	-	-	-	1,300,884	-	-	-	-	-	-	-	-	-	-	-	
8	Land & Land Improvements	482,081	-	-	-	-	363,465	46,304	-	-	42,158	30,154	-	-	-	-	-	
9	Poles	21,235,511	-	-	-	-	12,281,515	4,197,241	-	-	2,173,837	2,582,918	-	-	-	-	-	
10	Primary Conductor & Eqpt	3,143,393	-	-	-	-	2,788,189	355,203	-	-	-	-	-	-	-	-	-	
11	Submarine Conductor	317,759	-	-	-	-	317,759	-	-	-	-	-	-	-	-	-	-	
12	Transformers	12,198,757	-	-	-	-	-	-	4,403,751	7,795,006	-	-	-	-	-	-	-	
13	Secondary Conductor&Eqpt	1,191,190	-	-	-	-	-	-	-	-	694,464	496,726	-	-	-	-	-	
14	Services	2,250,759	-	-	-	-	-	-	-	-	-	-	2,250,759	-	-	-	-	
15	Meters	1,363,148	-	-	-	-	-	-	-	-	-	-	-	1,363,148	-	-	-	
16	Street Lighting	406,579	-	-	-	-	-	-	-	-	-	-	-	-	406,579	-	-	
17	Subtotal Distribution	43,890,061	-	-	-	1,300,884	15,750,928	4,598,748	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
18	Subttl Prod, Trans, & Dist	76,919,294	6,856,807	-	11,270,553	16,202,757	15,750,928	4,598,748	4,403,751	7,795,006	2,910,459	3,109,798	2,250,759	1,363,148	406,579	-	-	
19	General	8,331,016	530,176	-	3,639,717	458,957	975,257	256,688	210,787	373,110	135,117	149,470	65,415	151,571	29,182	1,355,569	-	
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Software - General	234,749	20,926	-	34,396	49,449	48,070	14,035	13,440	23,789	8,882	9,491	6,869	4,160	1,241	-	-	
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Total Net Book Value	85,485,059	7,407,910	-	14,944,667	16,711,163	16,774,255	4,869,471	4,627,978	8,191,906	3,054,458	3,268,759	2,323,043	1,518,879	437,002	1,355,569	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						7-8 Substations		9-10 Line Transformers		11-12 Secondary Lines		13 Services Customer (\$)	14 Meters Customer (\$)	15 Street Lighting Customer (\$)			
						Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)						
Production																	
1	Gas Turbine / Diesel	390,996	390,996	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Other	59,743	59,743	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Subtotal Production	450,738	450,738	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission																	
4	Transmission Lines	2,894,754	-	-	2,894,754	-	-	-	-	-	-	-	-	-	-	-	
5	Terminal Stations	252,281	-	-	89,522	162,758	-	-	-	-	-	-	-	-	-	-	
6	Other	164,722	-	-	110,091	54,632	-	-	-	-	-	-	-	-	-	-	
7	Subtotal Transmission	3,311,757	-	-	3,094,366	217,390	-	-	-	-	-	-	-	-	-	-	
Distribution																	
8	Other	2,038,937	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	-	24,809	-	-
9	Meters	128,861	-	-	-	-	-	-	-	-	-	-	-	128,861	-	-	-
10	Subtotal Distribution	2,167,798	-	-	-	172,800	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	-
11	Subttl Prod, Trans, & Dist	5,930,293	450,738	-	3,094,366	390,190	829,131	218,227	179,204	317,206	114,872	127,075	55,613	128,861	24,809	-	-
12	Customer Accounting	1,152,459	-	-	-	-	-	-	-	-	-	-	-	-	-	1,152,459	-
Administrative & General:																	
Plant-Related:																	
13	Production	179,997	179,997	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	228,756	-	-	152,886	75,869	-	-	-	-	-	-	-	-	-	-	-
15	Distribution	500,419	-	-	-	41,007	196,762	51,788	42,527	75,277	27,260	30,156	13,198	16,556	5,888	-	-
16	Prod, Trans, Distn Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Prod, Trans, Distn & General Plt	601,388	114,154	-	124,809	74,285	118,543	31,201	25,621	45,352	16,424	18,168	7,951	10,529	3,547	10,804	-
18	Property Insurance	104,909	43,833	-	21,200	28,524	2,990	787	646	1,144	414	458	201	465	89	4,156	-
Revenue-Related:																	
19	Municipal Tax	480,471	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	PUB Assessment	24,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	All Expense-Related	2,047,118	130,276	-	894,360	112,776	239,643	63,074	51,795	91,682	33,201	36,728	16,074	37,244	7,171	333,094	-
22	Prod,Trans & Distn Expense-Related	136,723	10,392	-	71,341	8,996	19,116	5,031	4,132	7,313	2,648	2,930	1,282	2,971	572	-	-
23	Subtotal Admin & General	4,303,931	478,652	-	1,264,597	341,457	577,054	151,881	124,721	220,767	79,948	88,441	38,705	67,765	17,267	348,054	-
24	Total Operating & Maintenance Expenses	11,386,683	929,391	-	4,358,963	731,647	1,406,185	370,108	303,926	537,973	194,820	215,515	94,319	196,626	42,076	1,500,513	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.4E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONTD.)

Line No.	1	18		19	20
		Revenue Related			
	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification	
Production					
1	Gas Turbine / Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L.9	
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L.9	
3	Subtotal Production	-	-		
Transmission					
4	Transmission Lines	-	-	Prorated on Transmission Lines Plant in Service - Sch.2.2 L.4	
5	Terminal Stations	-	-	Prorated on Transmission Terminal Stations Plant in Service - Sch.2.2 L.5	
6	Other	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L.6	
7	Subtotal Transmission	-	-		
Distribution					
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 17, less L. 15	
9	Meters	-	-	Meters - Customer	
10	Subtotal Distribution	-	-		
11	Subttl Prod, Trans, & Dist	-	-		
12	Customer Accounting	-	-	Accounting - Customer	
Administrative & General:					
Plant-Related:					
13	Production	-	-	Prorated on Production Plant in Service - Sch.2.2 L.3	
14	Transmission	-	-	Prorated on Transmission Plant in Service - Sch.2.2 L. 6	
15	Distribution	-	-	Prorated on Distribution Plant in Service - Sch.2.2 L.17	
16	Prod, Trans, Distn Plant	-	-	Prorated on Production, Transmission, Distribution Plant in Service - Sch.2.2 L. 18	
17	Prod, Trans, Distn & General Plt	-	-	Prorated on Production, Transmission, Distribution & General Plant in Service - Sch.2.2 L.24	
18	Property Insurance	-	-	Prorated on Prod., Trans. Terminal, Dist. Sub & General Plant in Service - Sch.2.2 L.3, 5, 7, 19 - 20	
Revenue-Related:					
19	Municipal Tax	480,471	-	Revenue-related	
20	PUB Assessment	-	24,151	Revenue-related	
21	All Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution, Accounting Expenses - L 11, 12	
22	Prod,Trans & Distn Expense-Related	-	-	Prorated on Subtotal Production, Transmission, Distribution Expenses - L.11	
23	Subtotal Admin & General	480,471	24,151		
24	Total Operating & Maintenance Expenses	480,471	24,151		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO																	
2015 Test Year Cost of Service - Rate Setting																	
Labrador Interconnected																	
Functional Classification of Depreciation Expense																	
1	2	3	4	5	6	Distribution								16	17		
						Substations	Primary Lines		Line Transformers		Secondary Lines		Services			Meters	Street Lighting
Line No.	Description	Total Amount (\$)	Production Demand (\$)	Production Energy (\$)	Transmission Demand (\$)		Demand (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)		Customer (\$)	Customer (\$)		
Production																	
1	Gas Turbines	320,518	320,518	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Diesel	21,377	21,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Subtotal Production	341,896	341,896	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
4	Lines	318,196	-	-	318,196	-	-	-	-	-	-	-	-	-	-	-	-
5	Terminal Stations	693,857	-	-	125,641	568,216	-	-	-	-	-	-	-	-	-	-	-
6	Subtotal Transmission	1,012,053	-	-	443,837	568,216	-	-	-	-	-	-	-	-	-	-	-
Distribution																	
7	Substations	68,905	-	-	-	68,905	-	-	-	-	-	-	-	-	-	-	-
8	Land & Land Improvements	14,988	-	-	-	-	11,300	1,440	-	-	1,311	937	-	-	-	-	-
9	Poles	598,894	-	-	-	-	346,369	118,373	-	-	61,308	72,845	-	-	-	-	-
10	Primary Conductor & Eqpt	77,637	-	-	-	-	68,864	8,773	-	-	-	-	-	-	-	-	-
11	Submarine Conductor	13,618	-	-	-	-	13,618	-	-	-	-	-	-	-	-	-	-
12	Transformers	550,820	-	-	-	-	-	-	198,846	351,974	-	-	-	-	-	-	-
13	Secondary Conductor&Eqpt	25,148	-	-	-	-	-	-	-	-	14,661	10,487	-	-	-	-	-
14	Services	45,372	-	-	-	-	-	-	-	-	-	-	45,372	-	-	-	-
15	Meters	109,470	-	-	-	-	-	-	-	-	-	-	-	109,470	-	-	-
16	Street Lighting	42,827	-	-	-	-	-	-	-	-	-	-	-	-	42,827	-	-
17	Subtotal Distribution	1,547,678	-	-	-	68,905	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
18	Subtl Prod, Trans, & Dist	2,901,627	341,896	-	443,837	637,121	440,151	128,585	198,846	351,974	77,280	84,269	45,372	109,470	42,827	-	-
19	General	534,848	34,037	-	233,669	29,465	62,611	16,479	13,532	23,954	8,674	9,596	4,200	9,731	1,873	87,027	-
20	Telecontrol - Specific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Feasibility Studies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Software - General	50,753	5,980	-	7,763	11,144	7,699	2,249	3,478	6,156	1,352	1,474	794	1,915	749	-	-
23	Software - Cust Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Depreciation Expense	3,487,229	381,913	-	685,269	677,730	510,461	147,314	215,856	382,084	87,306	95,339	50,365	121,115	45,450	87,027	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Rate Base

Line No.	Description	2 Total Amount (\$)	3 Production Demand (\$)	4 Production Energy (\$)	5 Transmission Demand (\$)	Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
						6 Substations Demand (\$)	7 Primary Lines		9 Line Transformers		11 Secondary Lines		12 Services Customer (\$)	13 Meters Customer (\$)	14 Street Lighting Customer (\$)		
							8 Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)					
1	Average Net Book Value	85,485,059	7,407,910	-	14,944,667	16,711,163	16,774,255	4,869,471	4,627,978	8,191,906	3,054,458	3,268,759	2,323,043	1,518,879	437,002	1,355,569	-
2	Cash Working Capital	372,978	32,321	-	65,205	72,912	73,187	21,246	20,192	35,742	13,327	14,262	10,136	6,627	1,907	5,914	-
3	Fuel Inventory - No. 6 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fuel Inventory - Diesel	37,715	37,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Fuel Inventory - Gas Turbine	206,011	206,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Inventory/Supplies	1,600,905	303,881	-	332,244	197,747	315,565	83,057	68,205	120,728	43,720	48,364	21,166	28,027	9,442	28,759	-
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	4,805,463	416,429	-	840,101	939,402	942,949	273,733	260,157	460,500	171,704	183,750	130,588	85,382	24,566	76,202	-
8	Total Rate Base	92,508,130	8,404,266	-	16,182,217	17,921,224	18,105,957	5,247,506	4,976,532	8,808,876	3,283,208	3,515,136	2,484,932	1,638,916	472,916	1,466,445	-
9	Less: Rural Portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate Base Available for Equity Return	92,508,130	8,404,266	-	16,182,217	17,921,224	18,105,957	5,247,506	4,976,532	8,808,876	3,283,208	3,515,136	2,484,932	1,638,916	472,916	1,466,445	-
11	Return on Debt	4,440,963	403,457	-	776,847	860,330	869,198	251,913	238,904	422,881	157,614	168,748	119,292	78,678	22,703	70,398	-
12	Return on Equity	1,672,899	151,981	-	292,636	324,084	327,425	94,895	89,995	159,298	59,373	63,567	44,937	29,638	8,552	26,519	-
13	Return on Rate Base	6,113,862	555,438	-	1,069,483	1,184,414	1,196,623	346,808	328,899	582,179	216,987	232,315	164,229	108,316	31,255	96,917	-

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 2.6E
Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Rate Base (CONT'D.)

	1	18
Line No.	Description	Basis of Functional Classification
1	Average Net Book Value	Sch. 2.3 , L. 24
2	Cash Working Capital	Prorated on Average Net Book Value, L. 1
3	Fuel Inventory - No. 6 Fuel	
4	Fuel Inventory - Diesel	Production - Demand
5	Fuel Inventory - Gas Turbine	Production - Demand
6	Inventory/Supplies	Prorated on Total Plant in Service, Sch. 2.2, L. 24
7	Deferred Charges: Foreign Exchange Loss and Regulatory Costs	Prorated on Average Net Book Value, L. 1
8	Total Rate Base	
9	Less: Rural Portion	
10	Rate Base Available for Equity Return	
11	Return on Debt	L.8 x Sch.1.1,p2,L.14
12	Return on Equity	L.10 x Sch.1.1,p2,L.17
13	Return on Rate Base	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	Description	2 Total Amount	3 Production Demand	4 Production Energy	5 Transmission Demand	6-15 Distribution										16 Accounting Customer	17 Specifically Assigned Customer	
						6 Substations Demand		7 Primary Lines Demand		8 Line Transformers Demand		9 Secondary Lines Demand		10 Services Customer	11 Meters Customer			12 Street Lighting Customer
						(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)			(Rural Cust)
Amounts			(CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wld Rural Cust)		(Rural Cust)			
1	CFB - Goose Bay Secondary	-	-	10,973	-	-	-	-	-	-	-	-	-	-	-	-		
2	IOCC Firm	-	273,606	1,925,673	243,000	-	-	1	-	-	-	-	-	-	-	-		
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural																		
4	1.1Domestic	-	662	2,462	588	569	569	360	540	360	540	360	360	360	-	360		
5	1.1A Domestic All Electric	-	83,785	356,271	74,412	72,008	72,008	9,442	68,372	9,442	68,372	9,442	9,442	9,442	-	9,442		
6	2.1GS 0-10 kW	-	1,355	7,536	1,203	1,164	1,164	515	1,105	515	1,105	515	967	967	-	515		
7	2.2GS 10-100 kW	-	17,297	84,020	15,362	14,866	14,866	728	14,032	728	14,032	728	3,470	3,470	-	728		
8	2.3GS 110-1,000 kVa	-	27,494	129,670	24,418	23,629	23,629	164	22,029	164	22,029	164	1,383	1,383	-	164		
9	2.4GS Over 1,000 kVa	-	27,058	158,274	24,031	23,255	23,255	6	15,536	6	15,536	6	51	51	-	6		
10	4.1Street and Area Lighting	-	521	2,021	463	448	448	385	425	385	425	385	-	-	1	385		
11	Subtotal Rural		158,171	740,254	140,477	135,938	135,938	11,600	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
12	Total Labrador Interconnected		431,777	2,676,900	383,477	135,938	135,938	11,601	122,039	11,600	122,039	11,600	15,673	15,673	1	11,600		
Ratios																		
13	CFB - Goose Bay Boiler	-	-	0.0041	-	-	-	-	-	-	-	-	-	-	-	-		
14	IOCC Firm	-	0.6337	0.7194	0.6337	-	-	0.0001	-	-	-	-	-	-	-	-		
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios																		
16	1.1Domestic	-	0.0015	0.0009	0.0015	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
17	1.1A Domestic All Electric	-	0.1940	0.1331	0.1940	0.5297	0.5297	0.8139	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
18	2.1GS 0-10 kW	-	0.0031	0.0028	0.0031	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
19	2.2GS 10-100 kW	-	0.0401	0.0314	0.0401	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
20	2.3GS 110-1,000 kVa	-	0.0637	0.0484	0.0637	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
21	2.4GS Over 1,000 kVa	-	0.0627	0.0591	0.0627	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
22	4.1Street and Area Lighting	-	0.0012	0.0008	0.0012	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
23	Subtotal Rural		0.3663	0.2765	0.3663	1.0000	1.0000	0.9999	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
24	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Ratios Excluding IOCC																		
25	CFB - Goose Bay Boiler	-	-	0.0146	-	-	-	-	-	-	-	-	-	-	-	-		
Rural Ratios Excluding IOCC																		
26	1.1Domestic	-	0.0042	0.0033	0.0042	0.0042	0.0042	0.0310	0.0044	0.0310	0.0044	0.0310	0.0230	0.0230	-	0.0310		
27	1.1A Domestic All Electric	-	0.5297	0.4743	0.5297	0.5297	0.5297	0.8140	0.5602	0.8140	0.5602	0.8140	0.6025	0.6025	-	0.8140		
28	2.1GS 0-10 kW	-	0.0086	0.0100	0.0086	0.0086	0.0086	0.0444	0.0091	0.0444	0.0091	0.0444	0.0617	0.0617	-	0.0444		
29	2.2GS 10-100 kW	-	0.1094	0.1118	0.1094	0.1094	0.1094	0.0627	0.1150	0.0627	0.1150	0.0627	0.2214	0.2214	-	0.0627		
30	2.3GS 110-1,000 kVa	-	0.1738	0.1726	0.1738	0.1738	0.1738	0.0142	0.1805	0.0142	0.1805	0.0142	0.0882	0.0882	-	0.0142		
31	2.4GS Over 1,000 kVa	-	0.1711	0.2107	0.1711	0.1711	0.1711	0.0005	0.1273	0.0005	0.1273	0.0005	0.0032	0.0032	-	0.0005		
32	4.1Street and Area Lighting	-	0.0033	0.0027	0.0033	0.0033	0.0033	0.0332	0.0035	0.0332	0.0035	0.0332	-	-	1.0000	0.0332		
33	Subtotal Rural		1.0000	0.9854	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
34	Total Labrador Interconnected		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.1E

Page 2 of 2

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		Revenue Related	
		18 Municipal Tax (Prior Year) (Rural Revenues)	19 PUB Assessment (Prior Year) (Revenues + RSP)
1	CFB - Goose Bay Secondary	-	333,112
2	IOCC Firm	-	-
3	IOCC Non-Firm	-	-
	Rural		
4	1.1Domestic	102,994	102,994
5	1.1A Domestic All Electric	10,056,863	10,056,863
6	2.1GS 0-10 kW	398,087	398,087
7	2.2GS 10-100 kW	2,191,392	2,191,392
8	2.3GS 110-1,000 kVa	2,999,815	2,999,815
9	2.4GS Over 1,000 kVa	1,974,167	1,104,411
10	4.1Street and Area Lighting	292,637	292,637
11	Subtotal Rural	18,015,954	17,146,198
12	Total Labrador Interconnected	18,015,954	17,479,310
	Ratios		
13	CFB - Goose Bay Boiler	-	0.0191
14	IOCC Firm	-	-
15	IOCC Non-Firm	-	-
	Rural		
16	1.1Domestic	0.0057	0.0059
17	1.1A Domestic All Electric	0.5582	0.5754
18	2.1GS 0-10 kW	0.0221	0.0228
19	2.2GS 10-100 kW	0.1216	0.1254
20	2.3GS 110-1,000 kVa	0.1665	0.1716
21	2.4GS Over 1,000 kVa	0.1096	0.0632
22	4.1Street and Area Lighting	0.0162	0.0167
23	Subtotal Rural	1.0000	0.9809
24	Total Labrador Interconnected	1.0000	1.0000
	Ratios Excluding IOCC		
25	CFB - Goose Bay Boiler	-	0.0191
	Rural		
26	1.1Domestic	0.0057	0.0059
27	1.1A Domestic All Electric	0.5582	0.5754
28	2.1GS 0-10 kW	0.0221	0.0228
29	2.2GS 10-100 kW	0.1216	0.1254
30	2.3GS 110-1,000 kVa	0.1665	0.1716
31	2.4GS Over 1,000 kVa	0.1096	0.0632
32	4.1Street and Area Lighting	0.0162	0.0167
33	Subtotal Rural	1.0000	0.9809
34	Total Labrador Interconnected	1.0000	1.0000

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Distribution											16 Accounting (\$)	17 Specifically Assigned Customer (\$)			
						6 Substations Demand (\$)		7 Primary Lines Demand (\$)		8 Line Transformers Demand (\$)		9 Secondary Lines Demand (\$)		10 Services Customer (\$)		11 Meters Customer (\$)			12 Street Lighting Customer (\$)		
						13	14	15	16	17	18	19	20	21	22	23			24	25	26
1	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
2	IOCC Firm	4,188,421	1,003,339	-	3,185,041	-	-	40	-	-	-	-	-	-	-	-	-	-			
3	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																					
4	1.1Domestic	147,331	4,699	4,307	7,706	5,915	7,403	14,496	2,303	28,582	1,135	8,693	3,337	7,268	-	48,617	-	-			
5	1.1A Domestic All Electric	7,505,497	594,720	623,238	975,335	748,641	936,950	380,187	291,487	749,632	143,597	227,995	87,520	190,617	-	1,275,106	-	-			
6	2.1GS 0-10 kW	256,046	9,615	13,182	15,769	12,104	15,148	20,737	4,713	40,888	2,322	12,436	8,962	19,520	-	69,549	-	-			
7	2.2GS 10-100 kW	1,274,584	122,776	146,980	201,351	154,552	193,427	29,293	59,823	57,759	29,471	17,567	32,167	70,058	-	98,246	-	-			
8	2.3GS 110-1,000 kVa	1,605,550	195,157	226,837	320,055	245,666	307,459	6,614	93,913	13,040	46,265	3,966	12,818	27,918	-	22,181	-	-			
9	2.4GS Over 1,000 kVa	1,484,157	192,063	276,875	314,981	241,771	302,584	242	66,232	476	32,628	145	468	1,020	-	810	-	-			
10	4.1Street and Area Lighting	229,492	3,697	3,535	6,063	4,654	5,824	15,502	1,812	30,566	893	9,297	-	-	87,495	51,993	-	-			
11	Subtotal Rural	12,502,656	1,122,726	1,294,955	1,841,259	1,413,302	1,768,795	467,070	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-	-			
12	Total	16,710,730	2,126,065	1,314,151	5,026,301	1,413,302	1,768,795	467,111	520,283	920,943	256,311	280,098	145,272	316,401	87,495	1,566,502	-	-			
Allocated Return on Debt																					
13	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
14	IOCC Firm	747,951	255,661	-	492,268	-	-	22	-	-	-	-	-	-	-	-	-	-			
15	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																					
16	1.1Domestic	43,714	619	-	1,191	3,601	3,638	7,817	1,057	13,124	698	5,237	2,740	1,807	-	2,185	-	-			
17	1.1A Domestic All Electric	2,230,513	78,289	-	150,744	455,726	460,424	205,035	133,846	344,218	88,303	137,358	71,868	47,400	-	57,303	-	-			
18	2.1GS 0-10 kW	74,896	1,266	-	2,437	7,368	7,444	11,183	2,164	18,775	1,428	7,492	7,360	4,854	-	3,126	-	-			
19	2.2GS 10-100 kW	383,161	16,162	-	31,120	94,081	95,051	15,798	27,470	26,522	18,123	10,583	26,414	17,421	-	4,415	-	-			
20	2.3GS 110-1,000 kVa	477,773	25,691	-	49,467	149,546	151,087	3,567	43,123	5,988	28,450	2,389	10,526	6,942	-	997	-	-			
21	2.4GS Over 1,000 kVa	421,420	25,283	-	48,682	147,175	148,692	130	30,412	219	20,064	87	385	254	-	36	-	-			
22	4.1Street and Area Lighting	61,536	487	-	937	2,833	2,862	8,360	832	14,036	549	5,601	-	-	22,703	2,337	-	-			
23	Subtotal Rural	3,693,012	147,796	-	284,578	860,330	869,198	251,891	238,904	422,881	157,614	168,748	119,292	78,678	22,703	70,398	-	-			
24	Total	4,440,963	403,457	-	776,847	860,330	869,198	251,913	238,904	422,881	157,614	168,748	119,292	78,678	22,703	70,398	-	-			
Allocated Return on Equity																					
25	CFB - Goose Bay Boiler	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
26	IOCC Firm	281,751	96,307	-	185,436	-	-	8	-	-	-	-	-	-	-	-	-	-			
27	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Rural:																					
28	1.1Domestic	16,467	233	-	449	1,356	1,370	2,945	398	4,944	263	1,973	1,032	681	-	823	-	-			
29	1.1A Domestic All Electric	840,229	29,491	-	56,785	171,671	173,440	77,236	50,419	129,666	33,264	51,742	27,072	17,855	-	21,586	-	-			
30	2.1GS 0-10 kW	28,213	477	-	918	2,776	2,804	4,213	815	7,072	538	2,822	2,772	1,828	-	1,177	-	-			
31	2.2GS 10-100 kW	144,336	6,088	-	11,723	35,440	35,806	5,951	10,348	9,991	6,827	3,987	9,950	6,562	-	1,663	-	-			
32	2.3GS 110-1,000 kVa	179,976	9,678	-	18,634	56,334	56,914	1,344	16,244	2,256	10,717	900	3,965	2,615	-	376	-	-			
33	2.4GS Over 1,000 kVa	158,748	9,524	-	18,338	55,440	56,012	49	11,456	82	7,558	33	145	96	-	14	-	-			
34	4.1Street and Area Lighting	23,180	183	-	353	1,067	1,078	3,149	313	5,287	207	2,110	-	-	8,552	880	-	-			
35	Subtotal Rural	1,391,148	55,674	-	107,200	324,084	327,425	94,887	89,995	159,298	59,373	63,567	44,937	29,638	8,552	26,519	-	-			
36	Total	1,672,899	151,981	-	292,636	324,084	327,425	94,895	89,995	159,298	59,373	63,567	44,937	29,638	8,552	26,519	-	-			

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2E
Page 2 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal	PUB	
		Tax (\$)	Assessment (\$)	
	Allocated Rev Reqmt Excl Return			
1	CFB - Goose Bay Boiler	-	458	
2	IOCC Firm	-	-	
3	IOCC Non-Firm	-	-	
	Rural:			
4	1.1Domestic	2,731	141	
5	1.1A Domestic All Electric	266,656	13,815	
6	2.1GS 0-10 kW	10,555	547	
7	2.2GS 10-100 kW	58,104	3,010	
8	2.3GS 110-1,000 kVa	79,540	4,121	
9	2.4GS Over 1,000 kVa	52,345	1,517	
10	4.1Street and Area Lighting	7,759	402	
11	Subtotal Rural	477,690	23,553	
12	Total	477,690	24,011	
	Allocated Return on Debt			
13	CFB - Goose Bay Boiler	-	-	
14	IOCC Firm	-	-	
15	IOCC Non-Firm	-	-	
	Rural:			
16	1.1Domestic	-	-	
17	1.1A Domestic All Electric	-	-	
18	2.1GS 0-10 kW	-	-	
19	2.2GS 10-100 kW	-	-	
20	2.3GS 110-1,000 kVa	-	-	
21	2.4GS Over 1,000 kVa	-	-	
22	4.1Street and Area Lighting	-	-	
23	Subtotal Rural	-	-	
24	Total	-	-	
	Allocated Return on Equity			
25	CFB - Goose Bay Boiler	-	-	
26	IOCC Firm	-	-	
27	IOCC Non-Firm	-	-	
	Rural:			
28	1.1Domestic	-	-	
29	1.1A Domestic All Electric	-	-	
30	2.1GS 0-10 kW	-	-	
31	2.2GS 10-100 kW	-	-	
32	2.3GS 110-1,000 kVa	-	-	
33	2.4GS Over 1,000 kVa	-	-	
34	4.1Street and Area Lighting	-	-	
35	Subtotal Rural	-	-	
36	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected**

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	1 Total Amount (\$)	2 Production Demand (\$)	3 Production Energy (\$)	4 Transmission Demand (\$)	5 Substations Demand (\$)	6-15 Distribution										16 Accounting Customer (\$)	17 Specifically Assigned Customer (\$)
							7 Primary Lines		8 Line Transformers		9 Secondary Lines		10 Services	11 Meters	12 Street Lighting	13 Customer		
							Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Demand (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)	Customer (\$)		
37	CFB - Goose Bay Boiler	19,653	-	19,196	-	-	-	-	-	-	-	-	-	-	-	-	-	
38	IOCC Firm	5,218,122	1,355,306	-	3,862,746	-	-	70	-	-	-	-	-	-	-	-	-	
39	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
40	1.1Domestic	207,512	5,550	4,307	9,346	10,872	12,411	25,258	3,759	46,650	2,095	15,903	7,109	9,756	-	51,624	-	
41	1.1A Domestic All Electric	10,576,239	702,501	623,238	1,182,864	1,376,038	1,570,813	662,459	475,752	1,223,516	265,164	417,096	186,460	255,872	-	1,353,995	-	
42	2.1GS 0-10 kW	359,155	11,358	13,182	19,124	22,247	25,396	36,133	7,692	66,735	4,287	22,750	19,094	26,202	-	73,852	-	
43	2.2GS 10-100 kW	1,802,080	145,026	146,980	244,194	284,074	324,284	51,042	97,640	94,271	54,420	32,137	68,531	94,042	-	104,324	-	
44	2.3GS 110-1,000 kVa	2,263,299	230,525	226,837	388,155	451,545	515,460	11,524	153,281	21,284	85,432	7,256	27,309	37,476	-	23,554	-	
45	2.4GS Over 1,000 kVa	2,064,325	226,870	276,875	382,002	444,386	507,289	421	108,101	777	60,251	265	998	1,369	-	860	-	
46	4.1Street and Area Lighting	314,207	4,367	3,535	7,353	8,553	9,764	27,012	2,957	49,889	1,648	17,007	-	-	118,750	55,209	-	
47	Subtotal Rural	17,586,817	1,326,197	1,294,955	2,233,037	2,597,716	2,965,417	813,848	849,182	1,503,122	473,298	512,413	309,501	424,717	118,750	1,663,419	-	
48	Total	22,824,593	2,681,503	1,314,151	6,095,783	2,597,716	2,965,417	813,918	849,182	1,503,122	473,298	512,413	309,501	424,717	118,750	1,663,419	-	
	Re-classification of Revenue-Related																	
49	CFB - Goose Bay Boiler	-	-	458	-	-	-	-	-	-	-	-	-	-	-	-	-	
50	IOCC Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
51	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
52	1.1Domestic	-	78	60	131	153	174	355	53	655	29	223	100	137	-	725	-	
53	1.1A Domestic All Electric	0	19,137	16,978	32,223	37,485	42,791	18,046	12,960	33,330	7,223	11,362	5,079	6,970	-	36,885	-	
54	2.1GS 0-10 kW	0	362	420	610	710	810	1,153	245	2,129	137	726	609	836	-	2,356	-	
55	2.2GS 10-100 kW	-	5,091	5,160	8,572	9,972	11,384	1,792	3,428	3,309	1,910	1,128	2,406	3,301	-	3,662	-	
56	2.3GS 110-1,000 kVa	0	8,848	8,707	14,898	17,332	19,785	442	5,883	817	3,279	278	1,048	1,438	-	904	-	
57	2.4GS Over 1,000 kVa	(0)	6,078	7,418	10,234	11,905	13,591	11	2,896	21	1,614	7	27	37	-	23	-	
58	4.1Street and Area Lighting	(0)	116	94	196	228	260	720	79	1,330	44	454	-	-	3,167	1,472	-	
59	Subtotal Rural	-	39,711	38,837	66,865	77,785	88,795	22,519	25,544	41,591	14,237	14,178	9,269	12,719	3,167	46,027	-	
60	Total	0	39,711	39,295	66,865	77,785	88,795	22,519	25,544	41,591	14,237	14,178	9,269	12,719	3,167	46,027	-	
	Total Allocated Revenue Requirement																	
61	CFB - Goose Bay Boiler	19,653	-	19,653	-	-	-	-	-	-	-	-	-	-	-	-	-	
62	IOCC Firm	5,218,122	1,355,306	-	3,862,746	-	-	70	-	-	-	-	-	-	-	-	-	
63	IOCC Non-Firm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rural:																	
64	1.1Domestic	207,512	5,628	4,368	9,477	11,024	12,585	25,612	3,812	47,304	2,124	16,126	7,209	9,893	-	52,349	-	
65	1.1A Domestic All Electric	10,576,239	721,638	640,216	1,215,087	1,413,523	1,613,605	680,505	488,712	1,256,846	272,387	428,458	191,540	262,843	-	1,390,880	-	
66	2.1GS 0-10 kW	359,155	11,720	13,603	19,734	22,957	26,207	37,285	7,937	68,864	4,424	23,476	19,703	27,038	-	76,207	-	
67	2.2GS 10-100 kW	1,802,080	150,117	152,139	252,766	294,046	335,667	52,834	101,068	97,580	56,331	33,265	70,936	97,343	-	107,987	-	
68	2.3GS 110-1,000 kVa	2,263,299	239,373	235,544	403,054	468,877	535,245	11,966	159,164	22,101	88,711	7,534	28,357	38,914	-	24,458	-	
69	2.4GS Over 1,000 kVa	2,064,325	232,948	284,293	392,236	456,292	520,879	432	110,997	798	61,865	272	1,024	1,406	-	883	-	
70	4.1Street and Area Lighting	314,207	4,483	3,630	7,549	8,782	10,025	27,732	3,036	51,220	1,692	17,461	-	-	121,917	56,682	-	
71	Subtotal Rural	17,586,817	1,365,908	1,333,792	2,299,902	2,675,500	3,054,212	836,367	874,726	1,544,713	487,535	526,591	318,770	437,437	121,917	1,709,446	-	
72	Total	22,824,593	2,721,214	1,353,446	6,162,648	2,675,500	3,054,212	836,437	874,726	1,544,713	487,535	526,591	318,770	437,437	121,917	1,709,446	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 3.2E
Page 4 of 4

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected

Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

Line No.	Description	Revenue Related		Basis of Proration
		Municipal Tax (\$)	PUB Assessment (\$)	
	Total Revenue Requirement			
37	CFB - Goose Bay Boiler	-	458	
38	IOCC Firm	-	-	
39	IOCC Non-Firm	-	-	
	Rural:			
40	1.1Domestic	2,731	141	
41	1.1A Domestic All Electric	266,656	13,815	
42	2.1GS 0-10 kW	10,555	547	
43	2.2GS 10-100 kW	58,104	3,010	
44	2.3GS 110-1,000 kVa	79,540	4,121	
45	2.4GS Over 1,000 kVa	52,345	1,517	
46	4.1Street and Area Lighting	7,759	402	
47	Subtotal Rural	477,690	23,553	
48	Total	477,690	24,011	
	Re-classification of Revenue-Related			
49	CFB - Goose Bay Boiler	-	(458)	Re-classification to demand, energy and customer is based on rate class revenue
50	IOCC Firm	-	-	requirements excluding revenue-related items.
51	IOCC Non-Firm	-	-	
	Rural:			
52	1.1Domestic	(2,731)	(141)	
53	1.1A Domestic All Electric	(266,656)	(13,815)	
54	2.1GS 0-10 kW	(10,555)	(547)	
55	2.2GS 10-100 kW	(58,104)	(3,010)	
56	2.3GS 110-1,000 kVa	(79,540)	(4,121)	
57	2.4GS Over 1,000 kVa	(52,345)	(1,517)	
58	4.1Street and Area Lighting	(7,759)	(402)	
59	Subtotal Rural	(477,690)	(23,553)	
60	Total	(477,690)	(24,011)	
	Total Allocated Revenue Requirement			
61	CFB - Goose Bay Boiler	-	-	
62	IOCC Firm	-	-	
63	IOCC Non-Firm	-	-	
	Rural:			
64	1.1Domestic	-	-	
65	1.1A Domestic All Electric	-	-	
66	2.1GS 0-10 kW	-	-	
67	2.2GS 10-100 kW	-	-	
68	2.3GS 110-1,000 kVa	-	-	
69	2.4GS Over 1,000 kVa	-	-	
70	4.1Street and Area Lighting	-	-	
71	Subtotal Rural	-	-	
72	Total	-	-	

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 4.1

Page 1 of 2

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Functionalization & Classification Ratios**

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-16 Distribution										17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
							7 Substations Demand (%)	8 Primary Lines Demand Customer (%)		9 Line Transformers Demand Customer (%)		10 Secondary Lines Demand Customer (%)		11 Services Customer (%)	12 Meters Customer (%)	13 Street Lighting Customer (%)		
Generation																		
1	Hydraulic	100%	44.92%	55.08%														
2	Hydraulic - GNP	100%	44.92%	55.08%		0.0%												
3	Holyrood	100%	72.24%	27.76%														
4	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
5	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
6	Dsl / Gas Tur Island Isolated	100%	43.90%	56.10%														
7	Dsl / Gas Tur Labrador Isolated	100%	34.26%	65.74%														
8	Dsl / Gas Tur L'Anse au Loup	100%	100.00%	0.00%														
9	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Fuel																		
10	No. 6 Fuel	100%	0.00%	100.00%														
11	Gas Tur Island Intercnctd	100%	100.00%	0.00%														
12	Diesel Island Intercnctd - GNP	100%	100.00%	0.00%		0.0%												
13	Dsl / Gas Tur Island / Lab Isolated	100%	0.00%	100.00%														
14	Dsl / Gas Tur L'Anse au Loup	100%	0.00%	100.00%														
15	Dsl / Gas Tur Labrador Intercnctd	100%	100.00%	0.00%														
Transmission Lines & Terminals																		
16	Lines	100%		0.00%	100%													
17	Lines - Hydraulic	100%	44.92%	55.08%														
18	Lines - Customer Specific	100%															100%	
19	Terminal Stations	100%		0.00%	100%													
20	Term Stns - Hydraulic	100%	44.92%	55.08%														
21	Term Stns - Holyrood	100%	72.24%	27.76%														
22	Term Stns - Gas Tur	100%	100%															
23	Term Stns - Diesel GNP	100%	100.00%	0.00%		0.0%												
24	Terminal Stations - Distribution	100%					100%											
25	Term Stns - Custmr Specific	100%															100%	
26	Rural Lines	100%				100.0%												
27	Rural Terminal Stations	100%				100.0%												

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Functionalization & Classification Ratios (CONT'D.)

Line No.	Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7-13 Distribution								14 Services Customer (%)	15 Meters Customer (%)	16 Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned Customer (%)
							7 Substations Demand (%)	8 Primary Lines Demand Customer (%)		9 Line Transformers Demand Customer (%)		12 Secondary Lines Demand Customer (%)							
	Distribution																		
28	Substation Structures & Equipment						100%												
29	Land & Land Improvements - by Sub-function:																		
30	Primary	85%						88.7%	11.3%										
31	Secondary	15%										58.3%	41.7%						
32	Land & Land Improvements	100%						75.4%	9.6%			8.7%	6.3%						
33	Poles - by Subfunction:																		
34	3 phase - Primary	41.2%						100.0%											
35	Other Primary	36.4%						45.7%	54.3%										
36	Secondary	22.4%										45.7%	54.3%						
37	Poles	100%						57.8%	19.8%			10.2%	12.2%						
38	Primary Conductor & Equip	100%						88.7%	11.3%										
39	Submarine Conductor	100%						100.0%											
40	Transformers	100%								36.1%	63.9%								
41	Secondary Conductor & Equip	100%										58.3%	41.7%						
42	Services	100%												100.0%					
43	Meters	100%													100.0%				
44	Street Lighting	100%														100.0%			
45	Customer Accounting	100%															100.0%		

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 4.2
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting**

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)	7,238,900	7,646	44,912	24,953	2,676,900
2	Hours in Year	8,760	8,760	8,760	8,760	8,760
3	Average Demand (kW)	826,358	873	5,127	2,848	305,582
4	Coincident Peak at Generation (kW)	1,500,405	1,556	7,799	5,736	431,777
5	System Load Factor	55.08%	56.10%	65.74%	49.66%	70.77%

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

Schedule 4.3
Page 1 of 1

**NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Holyrood Capacity Factor**

	1	2	3	4	5
Line No.	Year	Net Production (kWh)	Net Capacity (MW)	Net Production Hours	Net Capacity Factor
1	2011 Actual	885,313,869	466	8,760	21.69%
2	2012 Actual	855,826,207	466	8,784	20.93%
3	2013 Actual	957,442,307	466	8,760	23.48%
4	2014 Forecast	1,373,039,000	466	8,760	33.67%
5	2015 Forecast	1,592,992,000	466	8,760	39.07%
6	5-Year Average	1,132,922,677	466	8,765	27.76%

Exhibit 13 - 2015 Test Year Cost of Service for Rate Setting

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total System
Power Purchases

Line No.	1	2	3	4	5	6	7	
	Total	Production Demand	Production & Transmission Energy	Transmission Demand	Rural Transmission Demand	Distribution Demand		Basis of Functional Classification
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Island Interconnected:								
1	-		-					Production - Energy (Same as RSP Sec Load Var)
2	-		-					Production - Energy (Secondary)
3	693,003					693,003		Rural Transmission
4	2,122,400	2,122,400						Production - Demand
5	-		-					Production - Energy
6	42,562,239	19,120,793	23,441,445					Energy: System Load Factor
7	12,732,178		12,732,178					Production - Energy
8	58,109,820	21,243,193	36,173,623		-	693,003		
Labrador Interconnected:								
9	1,856,851	542,700	1,314,151					Energy: System Load Factor
10	-							
11	1,856,851	542,700	1,314,151		-	-		
Isolated Systems:								
12	-		-					Production - Energy
13	2,657,696		2,657,696					Production - Energy
14	202,500		202,500					Production - Energy
15	2,860,196	0	2,860,196		0	0	0	
16	62,826,867	21,785,893	40,347,970		-	693,003		

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY

Availability:

This rate is applicable to service to Newfoundland Power (NP).

Definitions:

"Billing Demand"

The Curtailable Credit shall apply to determine the billing demand as an adjustment to the highest Native Load established during the winter period [1]. The computation of the adjustment to reflect the Curtailable Credit is provided in the definitions below [1].

In the Months of January through March, billing demand shall be the greater of:

- (a) the highest Native Load less the Generation Credit and the Curtailable Credit, beginning in the previous December and ending in the current Month; and
- (b) the Minimum Billing Demand .

In the Months of April through December, billing demand shall be the greater of:

- (a) the Weather-Adjusted Native Load less the Generation Credit and the Curtailable Credit, plus the Weather Adjustment True-up; and
- (b) the Minimum Billing Demand.

If at the time of establishing its Maximum Native Load, NP has been requested by Hydro to reduce its Native Load by shedding curtailable load, the calculation of Billing Demand for each month shall not deduct the Curtailable Credit.

"Generation Credit" refers to NP's net generation capacity less allowance for system reserve, as follows:

	kW
Hydraulic Generation Credit	83,142
Thermal Generation Credit	36,187
Total Generation Credit	119,329

In order to continue to avail of the Generation Credit, NP must demonstrate the capability to operate its generation to the level of the Generation Credit. This will be verified in a test by operating the generation at a minimum of this level for a period of one hour as measured by the generation demand metering used to determine the Native Load. The test will be carried out at

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY

a mutually agreed time between December 1 and March 31 each year. If the level is not sustained, Newfoundland Power will be provided an opportunity to repeat the test at another mutually agreed time during the same December 1 to March 31 period. If the level is not sustained in the second test, the Generation Credit will be reduced in calculating the associated billing demands for January to December to the highest level that could be sustained.

“Curtable Credit” is determined based upon NP's forecast curtable load available for the period in accordance with the terms and conditions set forth in NP's Curtable Service Option. NP will notify Hydro of its available curtable load with its forecast of annual and monthly electricity requirements.

In order to receive the Curtable Credit, NP must demonstrate the capability to curtail its customer load requirements to the level of the Curtable Credit. This will be verified in a test by curtailing load at a minimum of this level for a period of one hour. The test will be carried out at a mutually agreed time in December. If the level is not sustained, the Curtable Credit will be reduced to the level sustained. If Hydro requests NP to curtail load before a test is completed and NP demonstrates the capability to curtail to the level of the Curtable Credit, no test will be required.

NP will be required to provide a report to Hydro not later than April 15 to demonstrate the amount of load curtailed for each request of Hydro during the previous winter season. If the load curtailed is less than forecast for either request during the winter season, the annual Curtable Credit will be adjusted to reflect the average load curtailed for the winter season. If NP is not requested to curtail during the winter season, the Curtable Credit will be established based upon the lesser of the load reduction achieved in the test or the forecast curtable load (as provided in the previous two paragraphs).

“Maximum Native Load” means the maximum Native Load of NP in the four-Month period beginning in December of the preceding year and ending in March of the current year.

“Minimum Billing Demand” means ninety-nine percent (99%) of:

NP's test year Native Load less the Generation Credit and the Curtable Credit.

The Curtable Credit reflected in the Minimum Billing Demand will be set to equal the curtable load used to determine the Maximum Native Load for NP for the most recently approved Test Year.

“Month” means for billing purposes, the period commencing at 12:01 hours on the last day of the previous month and ending at 12:00 hours on the last day of the month for which the bill applies.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (continued)

“Native Load” is the sum of:

- (a) the amount of electrical power, delivered at any time and measured in kilowatts, supplied by Hydro to NP, averaged over each consecutive period of fifteen minutes duration, commencing on the hour and ending each fifteen minute period thereafter;
- (b) the total generation by NP averaged over the same fifteen-minute periods.

“Weather-Adjusted Native Load” means the Maximum Native Load adjusted to normal weather conditions, calculated as:

Maximum Native Load
plus (Weather Adjustment, rounded to 3 decimal places, x 1000)

Weather Adjustment is further described and defined in the Weather Adjustment section.

“Weather Adjustment True-up” means one-ninth of the difference between:

- (a) the greater of:
 - the Weather Adjusted Native Load less the Generation Credit and the Curtailable Credit (if applicable), times three; and
 - the Minimum Billing Demand, times three; and
- (b) the sum of the actual billed demands in the Months of January, February and March of the current year.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (continued)

Monthly Rates:

Billing Demand Charge:

Billing Demand, as set out in the Definitions section, shall be charged at the following rate:

\$4.75 per kW of billing demand

Energy Charge:

First 250,000 kilowatt-hours*@ 2.319 ¢ per kWh
All excess kilowatt-hours*@ 10.422 ¢ per kWh

Firming-up Charge:

Secondary energy supplied by
Corner Brook Pulp and Paper Limited*@ 2.882 ¢ per kWh

RSP Adjustment:

Current Plan@ (1.213) ¢ per kWh
Fuel Rider@ 0.162 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours @ (1.051) ¢ per kWh

***Subject to RSP Adjustment:**

RSP Adjustment refers to all applicable adjustments arising from the operation of Hydro’s Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year, shall be applied to metered demand and energy.

Adjustment for Station Services and Step-Up Transformer Losses:

If the metering point is not on the generator output terminals of NP’s generators, an adjustment for Newfoundland Power’s power consumption between the generator output terminals and the metering point as determined in consultation with the customer prior to the implementation of the metering, shall be applied to the metered demand.

NEWFOUNDLAND AND LABRADOR HYDRO

UTILITY (continued)

Weather Adjustment: This section outlines procedures and calculations related to the weather adjustment applied to NP's Maximum Native Load.

- (a) Weather adjustment shall be undertaken for use in determining NP's Billing Demand.
- (b) Weather adjustment shall be derived from Hydro's NP native peak demand model.
- (c) By September 30th of each year, Hydro shall provide NP with updated weather adjustment coefficient incorporating the latest year of actuals.
- (d) The underlying temperature and wind speed data utilized to derive weather adjustment shall be sourced to weather station data for the St. John's, Gander, and Stephenville airports reported by Environment Canada. NP's regional energy sales shall be used to weight regional weather data. Hydro shall consult with NP to resolve any circumstances arising from the availability of, or revisions to, weather data from Environment Canada and/or wind chill formulation.
- (e) The primary definition for the temperature weather variable is the average temperature for the peak demand hour and the preceding seven hours. The primary definition for the wind weather data is the average wind speed for the peak demand hour and the preceding seven hours. Hydro will consult with NP should data anomalies indicate a departure from the primary definition on underlying weather data.
- (f) Subject to the availability of weather data from Environment Canada, Hydro shall prepare a preliminary estimate of the Weather-Adjusted Native Load by March 15th of each year, and a final calculation of Weather-Adjusted Native Load by April 5th of each year.

General:

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

With respect to all matters where the customer and Hydro consult on resolution but are unable to reach mutual agreement, the billing will be based on Hydro's best estimate.

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL – FIRM

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Base Rate*:

Demand Charge:

The rate for Firm Power, as defined and set out in the Industrial Service Agreements, shall be \$7.99 per kilowatt (kW) per month of billing demand.

Firm Energy Charge:

Base Rate @ 3.971 ¢ per kWh

RSP Adjustment:

Current Plan @ 0.373 ¢ per kWh

Fuel Rider @ 0.150 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours @ 0.223 ¢ per kWh**

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL – FIRM

Specifically Assigned Charges:

The table below contains the additional annual specifically assigned charges for customer plant in service that is specifically assigned to the Customer.

	Annual Amount
Corner Brook Pulp and Paper Limited	\$ 870,898
North Atlantic Refining Limited	\$ 89,293
Teck Resources Limited	\$ 199,399
Vale	\$480,243

***Subject to RSP Adjustments:**

RSP Adjustments refers to all applicable adjustments arising from the operation of Hydro's Rate Stabilization Plan, which levelizes variations in hydraulic production, fuel cost, load and rural rates and also provides for disposition of the Industrial Customer RSP Surplus.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL – FIRM

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy.

Rate:

Non-Firm Energy Charge (¢ per kWh):

Non-Firm Energy is deemed to be supplied from thermal sources. The following formula shall apply to calculate the Non-Firm Energy rate:

$$\{(A \div B) \times (1 + C) \times (1 \div (1 - D))\} \times 100$$

- A = the monthly average cost of fuel per barrel for the energy source in the current month or, in the month the source was last used
- B = the conversion factor for the source used (kWh/bbl)
- C = the administrative and variable operating and maintenance charge (10%)
- D = the average system losses on the Island Interconnected grid for the last five years ending in 2013 (3.47%).

The energy sources and associated conversion factors are:

1. Holyrood, using No. 6 fuel with a conversion factor of 618 kWh/bbl
2. Gas turbines using No. 2 fuel with a conversion factor of 475 kWh/bbl
3. Diesels using No. 2 fuel with a conversion factor of 556 kWh/bbl.

Adjustment for Losses:

If the metering point is on the load side of the transformer, either owned by the customer or specifically assigned to the customer, an adjustment for losses as determined in consultation with the customer prior to January 31 of each year shall be applied.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

INDUSTRIAL - WHEELING

Availability:

Any person purchasing power, other than a retailer, supplied from the Interconnected Island bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and who has entered into a contract with Hydro for the purchase of firm power and energy and whose Industrial Service Agreement so provides.

Rate:

Energy Charge:

All kWh (Net of losses)* @ 0.423 ¢ per kWh

* For the purpose of this Rate, losses shall be 3.47%, the average system losses on the Island Interconnected Grid for the last five years ending in 2013.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE STABILIZATION PLAN

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro) is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- customer load (Utility and Island Industrial); and
- rural rates.

The formulae used to calculate the Plan's activity are outlined below. Positive values denote amounts owing from customers to Hydro whereas negative values denote amounts owing from Hydro to customers.

Section A: Hydraulic Production Variation

1. Activity:

Actual monthly production is compared with the Test Year Cost of Service Study in accordance with the following formula:

$$\{(A - B) \div C\} \times D$$

Where:

A = Test Year Cost of Service Net Hydraulic Production (kWh)

B = Actual Net Hydraulic Production (kWh)

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$/Can /bbl.)

2. Financing:

Each month, financing charges, using Hydro's approved Test Year weighted average cost of capital, will be calculated on the balance.

3. Hydraulic Variation Customer Assignment:

Customer assignment of hydraulic variations will be performed annually as follows:

$$(E \times 25\%) + F$$

Where:

E = Hydraulic Variation Account Balance as of December 31, excluding financing charges

F = Financing charges accumulated to December 31

The total amount of the Hydraulic Customer Assignment shall be removed from the Hydraulic Variation Account.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

4. Customer Allocation:

The annual customer assignment will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the hydraulic customer assignment which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Newfoundland Power and Island Industrial customer allocations shall be included with the Newfoundland Power and Island Industrial RSP balances respectively as of December 31 each year. The Labrador Interconnected Hydraulic customer allocation shall be written off to Hydro's net income (loss).

Section B: Fuel Cost Variation, Load Variation and Rural Rate Alteration

1. Activity

1.1 Fuel Cost Variations

This is based on the consumption of No. 6 Fuel at the Holyrood Generating Station:

$$(G - D) \times H$$

Where:

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$/Can /bbl.)

G = Monthly Actual Average No. 6 Fuel Cost (\$/Can /bbl.)

H = Monthly Actual Quantity of No. 6 Fuel consumed less No. 6 fuel consumed for non-firm sales (bbl.)

1.2 Load Variations

Firm: Firm load variation is comprised of fuel and revenue components. The load variation is determined by calculating the difference between actual monthly sales and the Test Year Cost of Service Study sales, and the resulting variance in No. 6 fuel costs and sales revenues. It is calculated separately for Newfoundland Power firm sales and Industrial firm sales, in accordance with the following formula:

$$(I - J) \times \{(D \div C) - K\}$$

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

Where:

C = Test Year Cost of Service Holyrood Net Conversion Factor (kWh /bbl.)

D = Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can /bbl.)

I = Actual Sales, by customer class (kWh)

J = Test Year Cost of Service Sales, by customer class (kWh)

K = Firm energy rate, by customer class

Secondary: Secondary load variation is based on the revenue variation for Utility Firmed-Up Secondary energy sales compared with the Test Year Cost of Service Study, in accordance with the following formula:

$$(J - I) \times L$$

Where:

I = Actual Sales (kWh)

J = Test Year Cost of Service Sales (kWh)

L = Secondary Energy Firming Up Charge

1.3 Rural Rate Alteration

Newfoundland Power Rate Change Impacts:

This component is calculated for Hydro's rural customers whose rates are directly or indirectly impacted by Newfoundland Power's rate changes, with the following formula:

$$(M - N) \times O$$

Where:

M = Cost of Service rate

N = Existing rate

O = Actual Units (kWh, bills, billing demand)

[]

2. Monthly Customer Allocation: Load and Fuel Activity

Each month, the load variation will be held in a separate account in the Plan, until its disposition is ordered by the Board of Commissioners of Public Utilities.

Each month, the year-to-date total for fuel price variation and the year-to-date total for the load variation will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages derived from 12 months-to-date kWh for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

The year-to-date portion of the fuel price variation and the year-to-date portion of the load variation which is initially allocated to Rural Island Interconnected will be re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The current month's activity for Newfoundland Power, Island Industrials and regulated Labrador Interconnected customers will be calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month. The current month's activity allocated to regulated Labrador Interconnected customers will be removed from the Plan and written off to Hydro's net income (loss).

3. Monthly Customer Allocation: Rural Rate Alteration Activity

Each month, the rural rate alteration will be allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study. The portion allocated to regulated Labrador Interconnected will be removed from the Plan and written off to Hydro's net income (loss).

4. Plan Balances

Separate plan balances for Newfoundland Power, the Island Industrial customer class and the segregated load variation will be maintained. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

Section C: Fuel Price Projection

A fuel price projection will be calculated to anticipate forecast fuel price changes and to determine fuel riders for the rate adjustments. For industrial customers, this will occur in October each year, for inclusion with the RSP adjustment effective January 1. For Newfoundland Power, this will occur in April each year, for inclusion with the RSP adjustment effective July 1.

1. Industrial Fuel Price Projection:

In October each year, a fuel price projection for the following January to December shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel,

determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate. The calculation for the projection is:

$$[(S + T) \times U - V] \times W$$

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

Where:

S = the September month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for the following January to December

T = Hydro's average [] fuel contract premium or (discount) (\$US[]/bbl) for the following January to December

U = the monthly average of the \$Cdn / \$US Bank of Canada Noon Exchange Rate for the month of September

V = average Test Year Cost of Service purchase price for No. 6 Fuel (\$Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

The industrial customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of September and is the ratio of Industrial Firm invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The amount of the forecast fuel price change, in Canadian dollars, and the details of an estimate of the fuel rider based on 12 months-to-date kWh sales to the end of September will be reported to industrial customers, Newfoundland Power, and the Public Utilities Board, by the 10th working day of October.

2. Newfoundland Power Fuel Price Projection:

In April each year, a fuel price projection for the following July to June shall be made to estimate a change from Test Year No. 6 Fuel Cost. Hydro's projection shall be based on the change from the average Test Year No. 6 fuel purchase price, in Canadian dollars per barrel, determined from the forecast oil prices provided by the PIRA Energy Group, and the current US exchange rate.

The calculation for the projection is:

$$[(X + T) \times Y] - V \times W$$

Where:

T = Hydro's average [] fuel contract premium or (discount) (\$US[]/bbl) for the following January to December

V = average Test Year Cost of Service purchase price for No. 6 Fuel (\$Can /bbl.)

W = the number of barrels of No. 6 fuel forecast to be consumed at the Holyrood Generating Station for the Test Year.

X = the average of the March month-end PIRA Energy Group average monthly forecast for No. 6 fuel prices at New York Harbour for July to December of the current year and for the January to June period of the subsequent year.

Y = the monthly average of the \$Cdn / \$US Bank of Canada Noon Exchange Rate for the month of March.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

The Newfoundland Power customer allocation of the forecast fuel price change will be based on 12 months-to-date kWh as of the end of March and is the ratio of Newfoundland Power Firm and Firmed-Up Secondary invoiced energy to the total of: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy. ¶

The amount of the forecast fuel price change, in Canadian dollars, and the details of the resulting fuel rider applied to the adjustment rate will be reported to Newfoundland Power, industrial customers, and the Public Utilities Board, by the 10th working day of April.

Section D: Adjustment

1. Newfoundland Power

As of March 31 each year, Newfoundland Power's adjustment rate for the 12-month period commencing the following July 1 is determined as the rate per kWh which is projected to collect:

Newfoundland Power March 31 Balance

less projected recovery / repayment of the balance for the following three months (if any), estimated using the energy sales (kWh) for April, May and June from the previous year

plus forecast financing charges to the end of the 12-month recovery period (i.e., June in the following calendar year),

divided by the 12-months-to-date firm plus firmed-up secondary kWh sales to the end of March.

A fuel rider shall be added to the above adjustment rate, based on the Newfoundland Power Fuel Price Projection amount (as per Section C.2 above) divided by 12-months-to-date kWh sales to the end of March.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values.

Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

2. Island Industrial Customers

As of December 31 each year, the adjustment rate for industrial customers for the 12-month period commencing January 1 is determined as the rate per kWh which is projected to collect:

Industrial December 31 Balance

plus forecast financing charges to the end of the following calendar year,

divided by 12-months-to-date kWh sales to the end of December.

A fuel rider shall be added to the above adjustment rate, based on the Industrial Fuel Price Projection (as per Section C.1 above) amount divided by 12-months-to-date kWh sales to the end of December.

When new Test Year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values. Otherwise, the fuel rider portion of the RSP Adjustment will be set to zero upon implementation of the new Test Year Cost of Service rates, until the time for the next fuel price projection.



Section E: RSP Surplus:

1. August 31, 2013 Balance:

The net load variation for Newfoundland Power and the Industrial Customers from January 1, 2007 to August 31, 2013, including financing (the RSP Surplus), will be removed from the respective customer class balance, and allocated based upon direction provided by Government in Orders in Council OC2013-089 and OC2013-207. The balances which remain after this amount is removed will form the adjusted August 31, 2013 current plan balances for each customer class.

The Industrial Customer class allocated amount will be used, firstly, to reduce the Industrial Customer class adjusted August 31, 2013 RSP balance to zero. OC2013-089 states that the remaining IC RSP Surplus is to be used to fund a three-year phase-in of rate increases for Island Industrial customers.

The monthly RSP adjustment resulting from the Teck Resources Limited RSP Adjustment rate of (1.141)¢ per kWh determined in accordance with Order No. P.U. 17(2015), will become effective July 1, 2015 and segregated from the other components of the Industrial Customer RSP until its disposition is ordered by the Board of Commissioners of Public Utilities.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN (Continued)

1.1 Industrial Customer RSP Surplus Disposition

Effective December 31, 2014, a one-time transfer from the Industrial Customer RSP Surplus will be applied to the Industrial Customer RSP current plan balance to reduce the December 31, 2014 current plan balance to zero. This transfer is in accordance with Order No. P.U. 14(2015).

The Industrial Customer RSP Surplus will be used to fund the difference between the approved base rate and net billing rates that result from the application of the Industrial Customer RSP Surplus Adjustment demand and energy rates as approved by the Board.

1.2 Newfoundland Power RSP Surplus Disposition

[] The Newfoundland Power allocated amount of the RSP Surplus will be refunded to Newfoundland Power and Hydro's Rural customers in accordance with Hydro's Customer Refund Plan approved in Order No. P.U. 36(2016).

2. Plan Balances

Separate plan balances for Newfoundland Power and the Island Industrial customer class will be maintained. Financing charges on the plan balances will be calculated monthly using Hydro's approved Test Year weighted average cost of capital.

NEWFOUNDLAND AND LABRADOR HYDRO
CONSERVATION AND DEMAND MANAGEMENT COST RECOVERY

The CDM Cost Recovery Adjustment, expressed in cents per kWh, will be calculated to provide for the recovery of costs charged annually to the Conservation and Demand Management Cost Deferral Account (the “CDM Cost Deferral Account”) over a seven-year period.

For the initial year of calculating the CDM Cost Recovery Adjustment, the CDM Cost Recovery Adjustment will be calculated to recover 1/7th of the CDM Cost Deferral Account balance at December 31 of the previous year. For each subsequent year, the CDM Cost Recovery Adjustment will be calculated to recover the sum of individual amounts representing 1/7th of the transfer to the CDM Deferral Account for the previous year and the amortizations carried forward from prior years.

There will be different CDM Cost Recovery Adjustments for Island Industrial Customers and Newfoundland Power. The CDM Cost Recovery Adjustment for Island Industrial Customers will be calculated based upon the Island Interconnected Recoverable Amount allocated for recovery from Island Industrial Customers. The CDM Cost Recovery Adjustment for Newfoundland Power will be calculated based upon the allocated Island Interconnected Recoverable Amount to Newfoundland Power (including the allocated Island Interconnected Hydro Rural Amount) plus the allocated Hydro Rural Isolated System amount to Newfoundland Power.

Assignment of Customer Balance for Recovery

The Island Interconnected Recoverable Amount will be allocated among the Island Interconnected customer groups of (1) Newfoundland Power; (2) Island Industrial Firm; and (3) Rural Island Interconnected. The allocation will be based on percentages of previous calendar year sales for: Utility Firm and Firmed-Up Secondary invoiced energy, Industrial Firm invoiced energy, and Rural Island Interconnected bulk transmission energy.

The portion of the Island Interconnected Recoverable Amount which is initially allocated to Rural Island Interconnected will be added to the Hydro Rural Isolated System Recoverable Amount, and then re-allocated between Newfoundland Power and regulated Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Test Year Cost of Service Study.

The Labrador Interconnected Recoverable Amount shall be written off to Hydro's net income (loss).

NEWFOUNDLAND AND LABRADOR HYDRO
CONSERVATION AND DEMAND MANAGEMENT COST RECOVERY

CDM Cost Recovery Adjustment

Newfoundland Power:

The adjustment rate for each year will be determined as follows:

$$B = (C \div D)$$

Where:

- B = adjustment rate (¢ per kWh) for the 12-month period commencing the following July 1.
- C = Recoverable Amount assigned to Newfoundland Power from previous calendar year.
- D = energy sales (kWh) (firm and firm-up secondary) to Newfoundland Power for the previous calendar year.

Island Industrial Customers:

The adjustment rate for each year will be determined as follows:

$$E = (F \div H)$$

Where:

- E = adjustment rate (¢ per kWh) for the 12-month period commencing the following July 1.
- F = Recoverable Amount assigned to Industrial Customers from previous calendar year.
- H = firm energy sales (kWh) to Industrial Customers for the previous calendar year.

NEWFOUNDLAND AND LABRADOR HYDRO
RULES AND REGULATIONS

APPLICABILITY:

These general Rules and Regulations apply to all Hydro Rural Customers.

1. INTERPRETATION:

(a) In these Rates and Rules the following definitions shall apply:

- (i) "**Act**" means The Public Utilities Act, R.S.N. 1990, c.P-47 as amended from time to time.
- (ii) "**Applicant**" means any person who applies for Service.
- (iii) "**Board**" means the Board of Commissioners of Public Utilities of Newfoundland and Labrador.
- (iv) "**Hydro**" means Newfoundland and Labrador Hydro.
- (v) "**Hydro rural customers**" means regulated customers served by Hydro other than industrial customers and Newfoundland Power.
- (vi) "**Customer**" means any person who accepts or agrees to accept Service.
- (vii) "**Disconnected**" or "**Disconnect**" in reference to a Service means the physical interruption of the supply of electricity thereto.
- (viii) "**Discontinued**" or "**Discontinue**" in reference to a Service means to terminate the Customer's on-going responsibility with respect to the Service.
- (ix) "**Domestic Unit**" means a house, apartment or other similar residential unit which is normally occupied by one family, or by a family and no more than four other persons who are not members of that family, or which is normally occupied by no more than six unrelated persons.
- (x) "**Service**" means any service(s) provided by Hydro pursuant to these Regulations.
- (xi) "**Serviced premises**" means the premises at which Service is delivered to the Customer.
- (xii) "**Government Departments**" means electric service accounts of Provincial or Federal government departments, agencies, boards, commissions, and crown corporations but excludes hospitals, fish plants, churches, schools, community halls, municipal buildings and like facilities.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (b) Unless the context requires otherwise these Rates and Rules shall be interpreted such that:
- (i) words imparting male persons include female persons and corporations.
 - (ii) words imparting the singular include the plural and vice versa.

2. CLASSES OF SERVICE:

- (a) Hydro shall provide the following classes of Service:

ISLAND INTERCONNECTED AREA/LANSE AU LOUP AREA

- 1.1 Domestic
- 1.1S Domestic Seasonal
- 1.3 Burgeo School and Library
- 2.1 General Service, 0-100 kW
- 2.3 General Service, 110 kVA (100 kW) - 1000 kVA
- 2.4 General Service, 1000 kVA and Over
- 4.1 Street and Area Lighting Service

ISLAND AND LABRADOR DIESEL AREA

- 1.2D Domestic Diesel - Non-Government
- 1.2DS Domestic Seasonal Diesel – Non-Government
- 2.1D General Service Diesel - Non-Government, 0-10 kW
- 2.2D General Service Diesel - Non-Government, 10 kW and Over
- 4.1D Street and Area Lighting Service Diesel - Non-Government
- 1.2G Domestic Diesel - Government Departments
- 2.1G General Service Diesel - Government Departments, 0-10kW
- 2.2G General Service Diesel - Government Departments, 10kW and Over
- 4.1G Street and Area Lighting Service Diesel - Government Departments

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

LABRADOR INTERCONNECTED AREA

- 1.1L Domestic
- 2.1L General Service, 0-10 kW
- 2.2L General Service, 10-100 kW (110 kVA)
- 2.3L General Service, 110 kVA (100 kW) - 1000 kVA
- 2.4L General Service, 1000 kVA and Over
- 4.1L Street and Area Lighting Service
- 4.11L Street and Area Lighting Service Labrador - Installed as of Sept. 1, 2002
- 4.12L Street and Area Lighting Service Labrador– Customer Owned
- 5.1L Secondary Energy

- (b) The terms and conditions relating to each class of Service shall be those approved by the Board from time to time.
- (c) Service, other than Street and Area Lighting Service, shall be metered except where the energy consumption is relatively low and constant and in the opinion of Hydro can be readily determined without metering.
- (d) The Customer shall use the Service on the Serviced Premises only. The Customer shall not resell the Service in whole or in part except that the Customer may include the cost of Service in charges for the lease of space or as part of the cost of other services provided by the Customer.

3. APPLICATION FOR SERVICE:

- (a) An Applicant, when required by Hydro, shall complete a written Electrical Service Contract.
- (b) An application for Service, when accepted by Hydro, constitutes a binding contract between the Applicant and Hydro which cannot be assigned.
- (c) The person who signs an application for Service shall be personally liable for Service provided pursuant thereto, unless that person has authority to act for another Person denoted as the Applicant on the application for Service.
- (d) Hydro may in its discretion refuse to provide Service to an Applicant where:
 - (i) the Applicant fails or refuses to complete an application for Service.
 - (ii) the Applicant provides false or misleading information on the application for Service.
 - (iii) the Applicant or the Owner or an Occupant of the Serviced Premises has a bill for any Service which is not paid in full 30 days or more after issuance.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (iv) the Applicant fails to provide the security or guarantee required under Regulation 4.
 - (v) the Applicant is not the owner or an occupant of the Serviced Premises.
 - (vi) the Service requested is already supplied to the Serviced Premises for another Customer who does not consent to having his Service Discontinued.
 - (vii) the Applicant does not pay a charge described in Regulation 9 (b), (c) or (d).
 - (viii) the Applicant otherwise fails to comply with these Regulations.
- (e) A Customer who has not completed an application for Service shall do so within 5 days of a request having been made by Hydro in writing.

4. SECURITY FOR PAYMENT:

- (a) An Applicant or a Customer shall give such reasonable security for the payment of charges as may be required by Hydro. When the Customer has established two consecutive years of good credit history, the security deposit will be refunded with simple interest calculated at a Rate equivalent to the Rate paid from time to time by the chartered banks on over-the-counter withdrawal savings accounts.
- (b) Hydro may in its discretion require special guarantees from an Applicant or Customer whose location or load characteristics would require abnormal investment in facilities or who requires Service of a special nature.

5. SERVICE STANDARDS - METERED SERVICES:

- (a) Service shall normally be provided at one of the following nominal standard secondary voltages depending upon the requirements of the load to be served and the availability of a three phase supply:

Single phase, 3-Wire	-	120/240 volts
Three phase, 4-Wire	-	120/208 volts wye
Three phase, 4-Wire	-	347/600 volts wye

Service at any other supply voltage may be provided in special cases at the discretion of Hydro.

- (b) Service to customers who are provided Domestic Service shall be supplied at single phase 120/240 volt or as part of a multiunit building, at single phase 120/208 volts. Hydro may if requested by the customer, provide three phase service if a contribution in aid of construction is paid to Hydro in accordance with regulation 9(c).

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (c) Hydro shall determine the point at which power and energy is delivered from Hydro's facilities to the Customer's electrical system.
- (d) Service entrances shall be in a location satisfactory to Hydro and, except as otherwise approved by Hydro, shall be wired for outdoor meters.
- (e) Where Hydro has reason to believe that Service to a Customer has or will have load characteristics which may cause undue interference with Service to another Customer, the Customer shall upon written notice by Hydro provide and install, at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference.
- (f)
 - (i) Any Customer having a connected load or a normal operating demand of more than 25 kilowatts, in areas where space limitations or aesthetic reasons make it impractical to use a pole mounted transformer bank, shall, on request of Hydro, install and maintain a padmount transformer and all associated underground wiring, or provide at his expense a suitable vault or enclosure on the Serviced Premises for exclusive use by Hydro for its equipment necessary to supply and maintain service to the Customer.
 - (ii) Where either the service requirements of a Customer or changes to a Customer's electrical system necessitate the installation of additional equipment to Hydro's system which cannot be accommodated in Hydro's existing vaults or structures, the Customer shall, on request of Hydro, provide at the Customer's expense such additional space in its vault or enclosure as Hydro shall require to accommodate the additional equipment.
- (g) The Customer shall not use a Service for across the line starting of motors rated over 10 horsepower except where specifically approved by Hydro.
- (h) For Services having rates based on kilowatt demand, the average power factor shall not be less than 90%. Hydro, in its discretion, may make continuous tests of power factor or may test the Customer's power factor from time to time. If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at his expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (i) Hydro shall provide transformation for Service up to 500 kVA where the required service voltage is one of Hydro's standard service voltages and installation is in accordance with Hydro's standards. In other circumstances, Hydro, on such conditions as it deems acceptable, may provide the transformation.
- (j) All Customer wiring and installations shall be in compliance with all statutory and regulatory requirements including the Canadian Electrical Code, Part 1 and, where applicable, in accordance with Hydro's specifications. However, the provision of Service shall not in any way be construed as acceptance by Hydro of the Customer's electrical system.
- (k) The Customer shall provide such protective devices as may be necessary to protect his property and equipment from any disturbance beyond the reasonable control of Hydro.

6. SERVICE STANDARDS - STREET AND AREA LIGHTING SERVICE:

- (a) For Street and Area Lighting Service Hydro shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4200 hours per year. Hydro shall, subject to Regulation 9 (i) make all repairs necessary to maintain service.
- (b) Hydro shall supply the energy required and shall provide and maintain the illuminating fixtures and lamps together with necessary overhead conductors, control equipment and other devices.
- (c) Hydro shall not be required to provide Street and Area Lighting Service where, in the opinion of Hydro, the normal Service is unsuitable for the task or where the nature of the activities carried out in the area would likely result in damage to the poles, wiring or fixtures.
- (d) Hydro shall provide a range of fixture sizes utilizing an efficient lighting source in accordance with current standards in the industry and shall consult with the Customer regarding the most appropriate use of such fixtures for any specific installation.
- (e) The location of fixtures for Street and Area Lighting Service shall be determined by Hydro in consultation with the Customer. After poles and fixtures have been installed they shall not be relocated except at the expense of the Customer.
- (f) Hydro does not guarantee that fixtures used for Street and Area Lighting Service will illuminate any specific area.
- (g) Where the installation of fixtures is required in a location where there are no existing distribution poles the Customer shall pay any contribution in aid of construction as may be determined under Hydro's policy for the pole line extension required to supply electric service to the location of the fixtures.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (h) Hydro shall not be required to provide additional Street and Area Lighting Service to a Customer where on at least two occasions in the preceding twelve months, his bill for such Service has been in arrears for more than 30 days.

7. METERING:

- (a) Service to each building shall be metered separately except as provided in Regulation 7(b).
- (b) Service to buildings and facilities on the same Serviced Premises which are occupied by the same Customer may, subject to Regulation 7(c), be metered together provided the Customer supplies and maintains all distribution facilities beyond the point of supply.
- (c) Except as provided in Regulation 7(d) Service to each new Domestic Unit shall be metered separately.
- (d) Where an existing Domestic Unit is subdivided into two or more new Domestic Units, Service to the new Domestic Units may, in the discretion of Hydro, be metered together.
- (e) Where four or more Domestic Units are metered together, the Basic Customer Charge shall be multiplied by the number of Domestic Units.
- (f) Where the Service to a Domestic Unit has a connected load for commercial or nondomestic purposes exceeding 3000 watts, exclusive of space heating, the Service shall not qualify for the Domestic Service Rate.
- (g) Hydro shall not be required to provide more than one meter per Service, however, sub-metering by the Customer for any purpose not inconsistent with these Regulations is permitted.
- (h) Subject to Regulations 7(c) and 7(g) Service to different units of a building may, at the request of the Customer, be combined on one meter or be metered separately.
- (i) Maximum demand for billing purposes shall be determined by demand meter or, at the option of Hydro, may be based on:
 - (i) 80% of the connected load, where the demand does not exceed 100 kW, or
 - (ii) the smallest size transformer(s) required to serve the load if it is intermittent in nature such as X-Ray, welding machines or motors that operate for periods of less than thirty minutes, or
 - (iii) the kilowatt-hour consumption divided by an appropriate number of hours use where the demand is less than 10 kW.
- (j) When charges are based on maximum demand the metering shall normally be in kVA if the applicable Rate is in kVA and in kW if the applicable Rate is in kW.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

If the demand is recorded on a kVA meter but the applicable Rate is based on a kW demand, the recorded demand may be decreased by ten percent (10%) and the result shall be treated as the kW demand for billing purposes.

If the demand is recorded on a kW meter but the applicable Rate is based on a kVA demand, the recorded demand may be increased by ten percent (10%) and the result shall be treated as the kVA demand for billing purposes.

- (k) The Customer shall ensure that meters and related equipment are visible and readily accessible to Hydro's personnel and are suitably protected. Unless otherwise approved by Hydro, meters shall be located outdoors and shall not subsequently be enclosed.
- (l) If a meter is located indoors and Hydro employees are unable to obtain access to read the meter at the normal reading time for three consecutive months, the Customer shall upon written notice given by Hydro, provide for the installation of an outdoor meter at his expense.
- (m) In the event that a dispute arises regarding the accuracy of a meter, and Hydro is unable to resolve the matter with the Customer then either the Customer or Hydro shall have the right to request an accuracy test in accordance with the requirements of the Electricity Inspection Act of Canada. Should the test indicate that the meter accuracy is not within the allowable limits, the Customer's bill shall be adjusted in accordance with the provisions of the said Act and all costs involved in the removal and testing of the meter shall be borne by Hydro. Should the test confirm the accuracy of the meter, the costs involved shall be borne by the party requesting the test. Hydro may require a Customer to deposit with Hydro in advance of testing, an amount sufficient to cover the costs involved.
- (n) Metering shall normally be at secondary distribution voltage level but may at the option of Hydro be at the primary distribution level. When metering is at the primary distribution voltage (4-25KV) the monthly demand and energy consumption shall be reduced by 1.5%.

8. METER READING:

- (a) Where reasonably possible Hydro shall read meters monthly provided that Hydro may, at its discretion, read meters at some other interval and estimate the reading for the intervening month(s). Areas which consist primarily of cottages will have their meters read four times per year and Hydro will estimate the readings for all other months.
- (b) If Hydro is unable to obtain a meter reading due to circumstances beyond its reasonable control, Hydro may estimate the reading.
- (c) If due to any cause a meter has not correctly recorded energy consumption or demand, then the probable consumption or demand shall be estimated in accordance with the best data available and used to determine the relevant charge.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

9. CHARGES:

- (a) Every Customer shall pay Hydro the charges approved by the Board from time to time for the Service(s) provided to the Customer or provided to the Serviced Premises at the Customer's request.
- (b) Where a Customer requires Service for a period of less than three (3) years, the Customer shall pay Hydro in advance a "Temporary Connection Fee". The Temporary Connection Fee is calculated as the estimated labour cost of installing and removing lines and equipment necessary for the Service plus the estimated cost of non-salvageable material.
- (c) Where special facilities are required or requested by the Customer or any facility is relocated at the request of the Customer, the Customer shall pay Hydro in advance the estimated additional cost of providing the special facilities and the estimated cost of the relocation less any betterment.
- (d) The Customer shall pay Hydro in advance or on such other terms approved by the Board from time to time any contribution in aid of construction as may be determined by the methods prescribed by the Board.
- (e) The Customer shall pay Hydro the amount set forth in the Rate for all poles required for Street and Area Lighting Service which are in addition to those installed by Hydro for the distribution of electricity. This charge shall not apply to Hydro poles and communications poles used jointly for Street and Area Lighting Service and communications attachments.
- (f) Where a service is Disconnected pursuant to Regulation 12(a), b(ii), (c), or (d) and the Customer subsequently requests that the service be reconnected, the Customer shall pay a reconnection fee. Where a Service is Disconnected pursuant to Regulation 12(g) and an Applicant subsequently requests that the service be reconnected, the Applicant shall pay a reconnection fee. Applicants that pay the reconnection fee will not be required to pay the application fee. The reconnection fee shall be \$20.00 where the reconnection is done during Hydro's normal office hours or \$40.00 if it is done at other times.
- (g) Where a Service, other than a Street and Area Lighting Service, is Discontinued pursuant to Regulation 11(a), or Disconnected pursuant to Regulations 12(a), b(ii), (c) or (d) and the Customer subsequently requests that the Service be restored within 12 months, the Customer shall pay, in advance, the minimum monthly charges that would have been incurred over the period if the Service had not been Discontinued or Disconnected.
- (h) (i) Where a Street and Area Lighting Service is Discontinued pursuant to Regulation 11(a), (b), or (c), or 9(i), or when a Customer requests removal of existing fixtures, and/or poles, the Customer shall pay at the time of removal an amount equal to the unrecovered capital cost, plus the cost of removal less any salvage value of only the poles to be Discontinued or removed.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (ii) If a Customer requests the subsequent replacement of the fixture, either immediately or at any time within 12 months by another, whether or not of the same type or size, the Customer shall pay, in advance, an amount equal to the unrecovered capital cost of the fixture removed, plus the cost of removal, less any non-luminaire salvage, as well as the monthly charges that would have been incurred over the period if the Service had not been Discontinued.
- (iii) Where a Street and Area Lighting Service is Discontinued, any pole dedicated solely to the Street and Area Lighting Service may, at the Customer's request, remain in place for up to 24 months from the date of removal of the fixture, during which time the Customer shall continue to pay the prescribed monthly charge for the pole.
- (i) Where street and area lighting fixtures or lamps are wantonly, wilfully, or negligently damaged or destroyed (other than through the negligence of Hydro), Hydro, at its option and after notifying the Customer by letter, shall remove the fixtures and the monthly charges for these fixtures will cease thirty days after the date of the letter. However, if the customer contacts Hydro within thirty days of the date of the letter and agrees to pay the repair costs in advance and all future repair costs, Hydro will replace the fixture and rental charges will recommence. If any future repair costs are not paid within three months of the date invoiced, Hydro, after further notifying the Customer by letter, may remove the fixtures. In all such cases the fixtures shall not be replaced unless the Customer pays to Hydro in advance all amounts owing prior to removal plus the cost of removing the old fixtures and installing the new fixtures.
- (j) Where a Service other than Street and Area Lighting Service is not provided to the Customer for the full monthly billing period or where Street and Area Lighting Service is not provided for more than seven (7) days during the monthly billing period, the relevant charge to the Customer for the Service for that period may be prorated except where the failure to provide the Service is due to the Customer or to circumstances beyond the reasonable control of Hydro.
- (k) Where a Customer's Service is at primary distribution or transmission voltage and the Customer provides his own transformation and all other facilities beyond the designated point of supply the monthly demand charge shall, subject to the minimum monthly charge, be reduced as follows:

For the Island Interconnected, L'Anse au Loup and Isolated service areas:

- (i) for supply at 4 KV to 25 KV..... \$0.40 per kVA
- (ii) for supply at 33 KV to 138 KV..... \$0.90 per kVA

For the Labrador Interconnected service area:

- (iii) for supply at 4 KV to 25 KV..... \$0.25 per kVA

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (iv) for supply at 33 KV to 138 KV..... \$0.60 per kVA

- (l) Where a Customer's monthly demand has been permanently reduced because of the installation of peak load controls, power factor correction, or by rendering sufficient equipment inoperable, by any means satisfactory to Hydro, the monthly demands recorded prior to the effective date of such reduction may be adjusted when determining the Customer's demand for billing purposes thereafter. Should the Customer's demand increase above the adjusted demands in the following 12 months, the Customer will be billed for the charges that would have been incurred over the period if the demand had not been adjusted.

- (m) Charges may be based on estimated readings or costs where such estimates are authorized by these Regulations.

- (n) An application fee of \$8.00 will be charged for all requests for Customer name changes and connection of new Serviced Premises. Landlords will be exempted from the application fee for name changes at Serviced Premises for which a landlord agreement pursuant to Regulation 11(f) is in effect.

10. BILLING:

- (a) Hydro shall bill the Customer monthly for charges for Service. However, when a Service is disconnected or a bill is revised, Hydro may issue an additional bill.

- (b) The charges for Street and Area Lighting Service may be included as a separate item on a bill for any other Service.

- (c) Bills are due and payable when issued. Payment shall be made at such place(s) as Hydro may designate from time to time. Where a bill is not paid in full by the date that a subsequent bill is issued and the amount outstanding is \$50.00 or more, Hydro will charge interest at a rate equal to the prime rate charged by chartered banks on the last day of the previous month plus five percent.

- (d) Where a Customer's cheque or automated payment is not honoured by their financial institution, a charge of \$16.00 may be applied to the Customer's bill.

- (e) Where a Customer is billed on the basis of an estimated charge, an adjustment shall be made in a subsequent bill should such estimate prove to be inaccurate.

- (f) Where between normal meter reading dates, one Customer assumes from another Customer the responsibility for a metered Service or a Service is Discontinued, Hydro may base the billing on an estimate of the reading as of the date of change.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (g) Where a Customer has been under billed due to an error on the part of Hydro or due to an act or omission by a third party, the Customer may, at the discretion of Hydro, be relieved of the responsibility for all or any part of the amount of the under billing.

11. DISCONTINUANCE OF SERVICE:

- (a) A Service may be Discontinued by the Customer at any time upon prior notice to Hydro provided that Hydro may require 10 days prior notice in writing.
- (b) A Service may be Discontinued by Hydro upon 10 days prior notice in writing to the Customer if the Customer:
 - (i) provided false or misleading information on the application for the Service; and
 - (ii) fails to provide security or guarantee for the Service required under Regulation 4.
- (c) A Service may be Discontinued by Hydro without notice if the Service was Disconnected pursuant to Rule 12 and has remained Disconnected for over 30 consecutive days.
- (d) When Hydro accepts an application for Service, any prior contract for the same Service shall be Discontinued except where an agreement for that Service is signed by a landlord under Regulation 11(f).
- (e) Where a Service has been Discontinued, the Service may, at the option of Hydro and subject to Rule 12(a), remain connected.
- (f) A landlord may sign an agreement with Hydro to accept charges for Service provided to a rental premise for all periods when Hydro does not have a contract for Service with a tenant for that premise.

12. DISCONNECTION OF SERVICE:

- (a) Hydro shall Disconnect a Service within 10 days of receipt of a written request from the Customer.
- (b) Hydro may Disconnect a Service without notice to the Customer:
 - (i) where the Service has been Discontinued.
 - (ii) on account of or to prevent fraud or abuse.
 - (iii) where in the opinion of Hydro the Customer's electrical system is defective and represents a danger to life or property.
 - (iv) where the Customer's electrical system has been modified without compliance with the Electrical Regulations.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (v) where the Customer has a building or structure under Hydro's wires which is within the minimum clearances recommended by the Canadian Standards Association.
- (vi) when ordered to do so by any authority having the legal right to issue such order.
- (c) Hydro may, in accordance with its Collection Policies, Disconnect a Service upon prior notice to the Customer if the Customer has a bill for any Service which is not paid in full 30 days or more after issuance.
- (d) Hydro may Disconnect a Service upon 10 days prior notice to the Customer if the Customer is in violation of any provision of these Regulations.
- (e) Hydro may refuse to reconnect a Service if the Customer is in violation of any provisions of these Rules or if the Customer has a bill for any Service which is unpaid.
- (f) Hydro may disconnect a service to make repairs or alterations. Where reasonable and practical, Hydro shall give prior notice to the Customer.
- (g) Hydro may disconnect the Service to a rental premises where the landlord has an agreement with Hydro authorizing Hydro to disconnect the Service for periods when Hydro does not have a contract for Service with a tenant of that premises.

13. PROPERTY RIGHTS:

- (a) The Customer shall provide Hydro with space and cleared rights-of-way on private property for the line(s) and facilities required to serve the Customer.
- (b) Hydro shall have the right to install, remove or replace such of its property as it deems necessary.
- (c) The Customer shall provide Hydro with access to the Serviced Premises at all reasonable hours for purposes of reading a meter or installing, replacing, removing or testing its equipment, and measuring or checking the connected load.
- (d) All equipment and facilities provided by Hydro shall remain the property of Hydro unless otherwise agreed in writing.
- (e) The Customer shall not unreasonably interfere with Hydro's access to its property.
- (f) The Customer shall not attach wire, cables, clotheslines or any other fixtures to Hydro's poles or other property except by prior written permission of Hydro.
- (g) The Customer shall allow Hydro to trim all trees in close proximity to service lines in order to maintain such lines in a safe manner.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (h) The Customer shall not erect any buildings or obstructions on any of Hydro's easement lands or alter the grade of such easements by more than 20 centimetres, without the prior approval of Hydro.

14. HYDRO LIABILITY:

Hydro shall not be liable for any failure to supply Service for any cause beyond its reasonable control, nor shall it be liable for any loss, damage or injury caused by the use of Services or resulting from any cause beyond its reasonable control.

15. GENERAL:

- (a) No employee, representative or agent of Hydro has authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Regulations and no such promise, agreement or representation shall be binding on Hydro.
- (b) Any notice under these Regulations will be considered to have been given to the Customer on the date it is received by the Customer or three days following the date it was delivered or mailed by Hydro to the Customer's last known address, whichever is sooner.

16. POLICIES FOR AUTOMATIC RATE CHANGES

- (a) Island Interconnected System:
 - (i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.
- (b) L'Anse au Loup System:
 - (i) As Newfoundland Power changes its rates, Hydro will automatically adjust all rates such that these customers pay the same rates as Newfoundland Power customers.
- (c) Isolated Systems:
 - (i) Isolated Rural Domestic customers, excluding Government departments, pay the same rates as Newfoundland Power for the basic customer charge and First Block consumption (outlined in Rate 1.2D). Rates charged for consumption above this block will be automatically adjusted by the average rate of change granted Newfoundland Power from time to time.
 - (ii) Rates for Isolated Rural General Service customers, excluding Government departments, will increase or decrease by the average rate of change granted Newfoundland Power from time to time.

NEWFOUNDLAND AND LABRADOR HYDRO

RULES AND REGULATIONS (Continued)

- (iii) As Newfoundland Power changes its rates, Hydro will automatically adjust Rural Isolated street and area lighting rates, excluding those for Government departments, such that these rates are the same as charged Newfoundland Power customers.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.2G

DOMESTIC DIESEL

GOVERNMENT DEPARTMENTS

Availability:

For Service to Government Departments throughout the Island and Labrador diesel service areas of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge	\$55.69 per month
Energy Charge:	
All kilowatt-hours	@ 89.164 ¢ per kWh
Minimum Monthly Charge.....	\$55.69

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00 or more than \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1G

GENERAL SERVICE DIESEL 0-10 kW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge	\$59.76 per month
Energy Charge:	
All kilowatt-hours	@ 81.367¢ per kWh
Minimum Monthly Charge.....	\$59.76

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00 or more than \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 2.2G

GENERAL SERVICE DIESEL OVER 10 KW

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Service (excluding Domestic Service) to Government Departments throughout the Island and Labrador diesel service areas of Hydro where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater.

Rate:

Basic Customer Charge: \$73.76 per month

Demand Charge:

The maximum demand registered on the meter in the current month..... @ \$59.83 per kW

Energy Charge:

All kilowatt-hours..... @ 60.033 ¢ per kWh

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00 or more than \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate does not include the Harmonized Sales tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE 4.1G

STREET AND AREA LIGHTING SERVICE DIESEL

GOVERNMENT DEPARTMENTS (Continued)

Availability:

For Street and Area Lighting Service to Government Departments throughout the Island and Labrador Diesel service areas of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR	
250W (9,400 lumens)	\$85.29
HIGH PRESSURE SODIUM ¹	
100W (8,600 lumens)	57.28
150W (14,400 lumens)	85.29

¹ Only High Pressure Sodium fixtures are available for all new installations and replacements.

General:

Details regarding conditions of service are provided in the Rules and Regulations.

This rate schedule does not include the Harmonized Sales Tax (HST), which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 1.1L

DOMESTIC

Availability:

For Service throughout the Labrador Interconnected service area of Hydro, to a Domestic Unit or to buildings or facilities which are on the same Serviced Premises as a Domestic Unit and used by the same Customer exclusively for domestic or household purposes, whether such buildings or facilities are included on the same meter as the Domestic Unit or metered separately.

Rate:

Basic Customer Charge:\$7.21 per month

Energy Charge:
All kilowatt-hours@ 3.305 ¢ per kWh

Minimum Monthly Charge.....\$7.21

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.1L

GENERAL SERVICE 0 - 10 kW

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is less than 10 kilowatts.

Rate:

Basic Customer Charge:

Unmetered	\$6.53 per month
Single Phase	\$10.53 per month
Three Phase	\$16.53 per month

Energy Charge:

All kilowatt-hours @ 5.172 ¢ per kWh

Minimum Monthly Charge:

Unmetered	\$6.53
Single Phase	\$10.53
Three Phase	\$20.00

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding conditions of service are provided in the Rules and Regulations.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.2L

GENERAL SERVICE 10 - 100 kW (110 kVA)

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 10 kilowatts or greater but less than 100 kilowatts (110 kilovolt-amperes).

Rate:

Basic Customer Charge:

Unmetered	\$6.53 per month
Single Phase	\$10.53 per month
Three Phase	\$16.53 per month

Demand Charge:

The maximum demand registered on the meter in the current month @ \$1.80 per kW

Energy Charge:

All kilowatt-hours..... @ 2.452 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kW of maximum demand occurring in the 12 months ending with the current month, but not less than \$20.00 for a three phase service.

Discount:

A discount of 1.5% of the amount of the current month's bill, but not less than \$1.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE No. 2.3L
GENERAL SERVICE 110 kVA (100 kW) - 1000 kVA

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 months ending with the current month is 110 kilovolt-amperes (100 kilowatts) or greater but less than 1000 kilovolt-amperes.

Rate:

Demand Charge:

The maximum demand registered on the meter in the current month @ \$2.02 per kVA

Energy Charge:

All kilowatt-hours..... @ 2.119 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 2.4L

GENERAL SERVICE 1000 kVA AND OVER

Availability:

For Service (excluding Domestic Service) throughout the Labrador Interconnected service area of Hydro, where the maximum demand occurring in the 12 month period ending with the current month is 1000 kilovolt-amperes or greater.

Rate:

Billing Demand Charge:

The maximum demand registered on the meter in the current month @ \$1.76 per kVA

Energy Charge:

All kilowatt-hours..... @ 1.746 ¢ per kWh

Maximum Monthly Charge:

The Maximum Monthly Charge shall be 6.8 cents per kWh, but not less than the Minimum Monthly Charge.

Minimum Monthly Charge:

An amount equal to \$1.05 per kVA of maximum demand occurring in the 12 months ending with the current month.

Discount:

A discount of 1.5% of the amount of the current month's bill, up to a maximum of \$500.00, will be allowed if the bill is paid within 10 days after it is issued.

General:

Details regarding metering [in particular Regulation 7 (n)], transformation [in particular Regulation 9(k)], and other conditions of service are provided in the Rules and Regulations.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.1L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro.

Monthly Rate:

	SENTINEL / STANDARD
MERCURY VAPOUR¹	
250W (9,400 lumens)	\$ 15.67
HIGH PRESSURE SODIUM²	
100W (8,600 lumens)	11.60
150W (14,400 lumens)	15.67
250W (23,200 lumens)	20.66
400W (45,000 lumens)	26.69

¹ Fixtures previously owned by the Town of Wabush as of September 1, 1985, and transferred to Hydro in 1987.

² Only High Pressure Sodium fixtures are available for all new installations and replacements installed after September 1, 2002.

Special poles used exclusively for lighting service

Wood.....\$ 3.95

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.11L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by Hydro existing as of September 1, 2002.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM ¹	
100W (8,600 lumens)	\$ 6.75

¹ Any new fixtures added will be at the rates set out in Rate 4.1W.

Special poles used exclusively for lighting service

Wood\$ 3.25

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 4.12L

STREET AND AREA LIGHTING SERVICE

Availability:

For Street and Area Lighting Service throughout the Labrador Interconnected service area of Hydro, where the electricity is supplied by Hydro and all fixtures, wiring and controls are provided, owned and maintained by the customer.

Monthly Rate:

	SENTINEL / STANDARD
HIGH PRESSURE SODIUM	
100W (8,600 lumens)	\$ 4.76

Special poles used exclusively for lighting service

Wood \$ 3.95

General:

Details regarding conditions of service are provided in the Rules and Regulations.
This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1L

SECONDARY ENERGY

Availability:

For Service to Customers on the Labrador Interconnected grid engaged in fuel switching who purchase a minimum of 1 MW load and a maximum of 24 MW, who provide their own transformer and, who are delivered power at primary voltages. Hydro shall supply Secondary Energy to the Customer at such times and to the extent that Hydro has Churchill Falls electricity available in excess of the amount it requires for its own use, and to meet its commitments and sales opportunities, present and future, for firm energy. Moreover, Hydro may interrupt or reduce the supply of Secondary Energy at its sole discretion for any cause whatsoever. The energy delivered shall be used solely for the operation of the equipment engaged in fuel switching.

Energy Charge:

The energy charge shall be calculated monthly based on:

EITHER:

- A. The Customer's cost of fuel (cents per litre) most recently delivered to the Customer including fuel additives, if any, in accordance with the following formula:

Secondary Energy Rate = Constant Factor x Fuel Cost/Litre x 90%

$$\text{Constant Factor} = \frac{3413 \text{ BTU/kWh} \times A \times B}{C \times D}$$

Where:

A = Customer's Electric Boiler Efficiency

B = Transformer and Losses Adjustment Factor

C = BTU/Litre of the Customer's fuel

D = Customer's Oil-fired Boiler Efficiency

OR:

- B. One (1) cent less than the New York Mercantile Exchange (NYMEX) settlement price for New York Independent System Operator (NYISO) Zone A Swap Peak electricity after the end of trading on the 19th day of the previous month, converted to Canadian dollars using the exchange rate at the closing of the same day.

WHICHEVER IS GREATER

NEWFOUNDLAND AND LABRADOR HYDRO

RATE No. 5.1L

SECONDARY ENERGY

Prior to the commencement of service, the Customer will provide to Hydro the rate component values for insertion in the pricing formula for Secondary Energy. If subsequent changes to any of these rate components are required, the Customer will provide them to Hydro as soon as practicable. Hydro may require that these rate component values be verified.

Communications

The Customer and Hydro shall each designate a position within their respective staffs to be responsible for communications as to changes in the cost of the fuel delivered to the Customer. Hydro will contact the Customer's designate on or before the second working day of each month at which time the Customer's designate will inform Hydro of the fuel cost. If this information is unavailable to Hydro for any reason, Hydro will use the previous month's fuel cost and other inputs and make the adjustment to the correct values in the following month's billing.

Hydro will inform the Customer of the value of part B of the energy charge calculation on the first business day following the 21st day of the month preceding the month for which the rate is being set.

Power Factor

If the Customer's power factor is lower than 90%, the Customer shall upon written notice by Hydro provide, at the Customer's expense, power factor corrective equipment to ensure that a power factor of not less than 90% is maintained.

General:

Insofar as they are not inconsistent with the forgoing, the conditions of service provided in the Rules and Regulations shall apply to Customers in this rate class.

This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.

NEWFOUNDLAND AND LABRADOR HYDRO
LABRADOR INDUSTRIAL – TRANSMISSION

Availability:

CLOSED RATE – AVAILABLE TO EXISTING CUSTOMERS ONLY

Any person purchasing power, other than a retailer, supplied from the Labrador Interconnected bulk transmission grid at voltages of 66 kV or greater on the primary side of any transformation equipment directly supplying the person and has entered into a contract with Hydro for the purchase of power and energy (Labrador Industrial Customer).

Monthly Rate:

Demand Charge:

The rate for Firm Power shall be \$1.19 per kilowatt of billing demand. The billing demand shall be equal to the greater of (i) the customer's Power on Order; (ii) the actual monthly demand in the current month; and (iii) their maximum demand in the calendar year less their interruptible demand.

Specifically Assigned Charge:

This rate may include a specifically assigned charge upon approval by the Board.

General:

Details regarding the conditions of Service are outlined in the Industrial Service Agreements. **This rate schedule does not include the Harmonized Sales Tax (HST) which applies to electricity bills.**