

October 1, 2015

Request for Undertaking

The intent of this undertaking is to show that the 2015 test year cost of service study can be modified, or normalized, to incorporate the impacts on cost allocations of different load scenarios without changing the inputs to the revenue requirement calculation itself, namely the loads, production quantities and costs.

- i. For the 2015 cost of service, please provide a table comparing the revenue allocation in dollars, the unit demand charge in \$/kW and the unit energy charge in cents/kWh for each of the Island Interconnected customer classes under the scenarios shown below. The table should show that under each scenario the unit demand and energy charges when applied to the 2015 load forecast produce the revenue requirement determined in the 2015 test year cost of service study.
 - a. The 2015 test year;
 - b. The 2016 forecast load with demand and energy allocators “normalized” to produce the 2015 revenue requirement;
 - c. The 2017 forecast load with demand and energy allocators “normalized” to produce the 2015 revenue requirement;
 - d. The average of the 2015, 2016 and 2017 loads with demand and energy allocators “normalized” to produce the 2015 revenue requirement.

- ii. Please show the forecast revenues collected from each of the Island Interconnected customer classes under the 2015 test year cost of service and the scenarios outlined above for the years 2015, 2016 and 2017 including the impacts of the RSP. The intent of this exercise is to determine if the RSP would or would not capture changes in energy load going forward.

- iii. Provide a commentary which identifies the differences between the calculations in this undertaking and those used to calculate the response to IC-NLH-140.

- iv. In relation to the response to IC-NLH-140, please provide a table comparing the revenue allocation, the unit demand charge, the unit energy charge and the total revenue produced for each of the Island Interconnected customer classes for the 2013 test year amounts to the amounts determined in IC-NLH-140. The intent of this exercise is to show the relative impact on customer class cost allocations between the response to this undertaking and the response to IC-NLH-140.