

1 Q. **Reference: IOC-NLH-008; IOC-NLH-010, Table 1; IOC-NLH-012; CA-NLH-008, Tables 1 and 2; Vol.**
2 **I, Schedule F 3.1E, I. 2 (PDF p. 297); Vol. I, Schedule A-II (PDF p. 212).**

3 Preamble:

4 IOC-NLH-010 derives the Labrador Industrial transmission coincident peak for the 2027 Test Year
5 by applying a coincidence factor of 94.13% to 317,000 kW to derive 298,387 kW, compared with
6 255,000 kW $\times$ 90.00% = 229,500 kW for the 2019 Test Year. IOC-NLH-008 identifies the increase
7 in the coincidence factor from 90% to 94% as a secondary driver of the higher class allocation
8 factor and refers to IOC-NLH-012 for the coincidence factor calculations; IOC-NLH-012 refers to
9 IOC-NLH-010, which presents the calculation steps but not the derivation of the 94.13% value.
10 CA-NLH-008, Table 2 reports actual winter coincidence factors for the Labrador Industrial class
11 of 90.6%, 89.7% and 89.9% for 2023, 2024 and 2025.

12 CA-NLH-008, Table 1 reports forecast coincidence factors for the Labrador Industrial class of
13 96.4%, 95.6% and 94.9% for 2023, 2024 and 2025, against actual factors in Table 2 of 90.6%,
14 89.7% and 89.9% for the same years. State the basis on which the 2027 Test Year applies 94.13%
15 rather than the recorded experience of the most recent three years, and explain why the 2019
16 Test Year Cost of Service Study applied 90.00% (IOC-NLH-010, Table 1) when Hydro's forecast
17 coincidence factor for 2019 was 97.0% (CA-NLH-008, Table 1).

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20 A. Please refer to Newfoundland and Labrador Hydro's ("Hydro") response IOC-NLH-024 of this
21 proceeding for a calculation and explanation of the 94.13% Coincident Factor used in the 2027
22 Test Year. As noted in the response, the Coincidence Factor is based on a six -year average.

23 A 90% coincident factor was used in the 2019 Load Forecast. This forecast was developed in the
24 Spring of 2018.

25 The 2019 Test Year forecast was based on the 2016 Load Forecast, which was filed as part of
26 Hydro's 2017 General Rate Application in July 2017. This forecast included a coincident factor of

- 1 97.0% which aligns with the 2017 Forecast as referenced in Hydro's response to CA-NLH-008 of
- 2 this proceeding.