newfoundland labrador
hydro
a nalcor energy company

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May 18, 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. 14(2017) Compliance Application

A. Application Overview

The Application

In Order No. P.U. 14(2017) (the GRA Compliance Order) and Order No. P.U. 16(2017) (the 2017 Newfoundland Power Rate Mitigation 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) GRA Compliance Application, which was filed with the Board on January 27, 2017, pursuant to Board Order No. P.U. 49(2016).

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

This Compliance Rates Application and attached evidence is supplemental to, and as necessary, modifies the GRA Compliance Application to reflect the direction of the Board in the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order, and the effects that flow from those Orders.

Any revisions to the evidence filed with the GRA Compliance Application have been shaded/highlighted for ease of reference. Exhibits with yellow highlighting indicate revisions to original revisions filed in the GRA Compliance Application to assist in differentiating between the original revisions proposed by Hydro in the GRA Compliance Application and those revisions required as a result of the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order.

Summary of Customer Rate Impacts
The annualized billing impact of implementing the proposed Utility base rate and the revised RSP adjustments is a 12.6% increase. The end-consumer impact on customers of Newfoundland Power is estimated at an approximate 8.5% increase. The annualized billing impact of implementing the proposed Island Industrial Customer rate and the revised RSP adjustments is an average 16.8% increase.[1] The proposed rate change for the Hydro Rural Island Interconnected customers and customers in L'Anse au Loup equal the proposed rate increase of 8.5% to the customers of Newfoundland Power. The proposed rate change for customers on the Labrador Interconnected system is an overall decrease of 0.7% with a 0.9% decrease applied equally to each rate class with the exception of Street and Area Lighting (14.1% increase).

B. Evidence in Support of the Application

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

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

Exhibit 2: Revised Revenue Requirement Schedules
Exhibit 2 to the Compliance Rates Application provides revised finance schedules for 2014 and 2015 revenue requirements for revenue deficiencies, reflecting the decisions of the Board in the GRA Compliance Order. Also included for information purposes are the finance schedules for 2015 revenue requirement for rate setting and revenue requirement for 2016 revenue deficiency which were filed with the GRA Compliance filing.

Exhibit 3: Recovery of Revenue Deficiencies
Exhibit 3 to the Compliance Rates Application provides Hydro's revised: (i) calculation of the revenue deficiencies 2014, 2015, 2016, and 2017; (ii) Hydro's proposal for the allocation of these deficiencies by customer class; and (iii) Hydro's proposal for recovery of the revenue deficiencies and excess revenues for Newfoundland Power, Hydro Rural Labrador Interconnected customers and Labrador Industrial Transmission customers. This exhibit reflects changes in the revenue deficiencies for 2014, 2015, and 2017 in accordance with the GRA Compliance Order.

Exhibit 4: Customer Rates Report
Exhibit 4 to the Compliance Rates Application relies upon Hydro's 2015 Test Year revenue requirement for rate setting purposes and incorporates the Board's findings on rate design in the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order. This

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[1] Options to potentially mitigate the rate impacts to Island Industrial Customers are being considered separately by the Board. Hydro is currently reviewing the proposal put forth by the Island Industrial Customers on May 17, 2017, and will file a response no later than Wednesday, May 24, 2017.

Exhibit supports Hydro's derivation of the rates to be implemented on July 1, 2017. Exhibit 4 also provides support for the proposed RSP Adjustments, CDM Cost Recovery Adjustment, and customer rate impacts reflecting the orders of the Board in the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order.

Exhibit 5: Revised Deferral Account Report
Exhibit 5 to the Compliance Rates Application provides revised language for the Isolated Systems Supply Cost Variance Deferral Account and the Energy Supply Cost Variance Deferral Account in accordance with the GRA Compliance Order. For convenience, Hydro has also included the definitions for the CDM Cost Deferral Account and the Holyrood Conversion Rate Deferral Account. As such, this exhibit wholly replaces Exhibit 5 that was filed with Hydro's GRA Compliance Application.

Exhibit 6: RSP Reports
Exhibit 6 to the Compliance Rates Application provides the March 2017 Rate Stabilization Plan (RSP) report reflecting the approval of the 2015 Test Year values and presents the transfer from the RSP Load Variation Component to the Newfoundland Power RSP Current Plan balances as directed in the 2017 Newfoundland Power Rate Mitigation Order. It also includes revised summary sheets reflecting the correction of an error detected by Grant Thornton in its review for each of the 2015 RSP Report based on the 2007 Test Year, the 2015 RSP Report based on the 2015 Test Year, the 2016 RSP Report based on the 2007 Test Year, and the 2016 RSP Report based on the 2015 Test Year. These summary sheets replace those that were filed in Exhibits 6, 7, 8, and 9 to Hydro's GRA Compliance Application.

Exhibit 7: Revised Cost of Service Schedules for Revenue Deficiency
Exhibit 7 to the Compliance Rates Application provides revised Cost of Service Study summary schedules which provide the allocation of the revenue deficiencies for 2014, 2015, and 2016 among customer classes. These summary schedules replace schedules 1.2 and 1.2.1 of Exhibits 10, 11, and 12 to Hydro's GRA Compliance Application.

Exhibit 8: Revised 2015 Test Year Cost of Service for Rate Setting
Exhibit 8 to the Compliance Rates Application provides Hydro's revised 2015 Test Year Cost of Service Study for rate setting purposes. This exhibit wholly replaces Exhibit 13 of the GRA Compliance Application.

Exhibit 9: Schedule of Rates, Rules and Regulations
Exhibit 9 provides Hydro's revised Schedules of Rates, Rules and Regulations. It includes a proposed revision to the RSP rules to permit a transfer of the balance in the RSP Hydraulic Variation balance and a transfer from the RSP Load Variation Component at March 31, 2017 to the Current Plan balances of Newfoundland Power in accordance with the 2017 Newfoundland Power Rate Mitigation Order. This exhibit wholly replaces Exhibit 14 of the GRA Compliance Application.

C. Conclusion

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 Pennell

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

ecc: Larry Bartlett – larry.bartlett@teck .com

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IN THE MATTER OF the *Electrical Power Control Act, 1994*, Chapter E-5.1(the *EPCA*) and 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 a GRA Compliance Application filed by Newfoundland and Labrador Hydro on January 27, 2017, 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);

AND IN THE MATTER OF an application (the Compliance Rates Application), reflecting the determinations set out in Order No. P.U. 14(2017), and Order No. P.U.16(2017).

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

The COMPLIANCE RATES 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.

14. On January 27, 2017, Hydro filed its GRA Compliance Application reflecting the findings and determinations of the Board in the GRA Order. The GRA Compliance Application proposed new customer rates to be implemented April 1, 2017.

15. Subsequent to the filing of the GRA Compliance Application, Hydro acknowledged that as part of the normal regulatory process, it is required to make an application for new rates effective July 1, 2017 to reflect the annual update to the Rate Stabilization Plan adjustments, and, as such, it was preferable to have one rate change occur on July 1, 2017 to reflect both the findings of the Board on the GRA Compliance Application as well as the annual July 1 RSP Adjustments.

B. GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order

16. On May 1, 2017, the Board issued Order No. P.U. 14(2017) setting out its determinations with respect to Hydro's proposals in the GRA Compliance Application (the GRA Compliance Order). In the GRA Compliance Order, the Board directed Hydro to make the following revisions to its GRA Compliance filing:

(1) Revise the proposed recovery of the revenue deficiencies for 2014 to 2017 to include Labrador Interconnected customers and the Labrador Industrial Transmission customers;

(2) Reduce its 2014 and 2015 test year revenue requirements for revenue deficiency calculation by $400,000 to reflect the depreciation expenses associated with the capital projects that were carried over into 2015;

(3) Revise its proposals to incorporate its accepted changes related to the issues raised by Grant Thornton, which included:

i. Correcting the $60,000 error detected in the 2014 revenue deficiency allocation between Newfoundland Power and Hydro Rural customers on the Labrador Interconnected system;
ii. Correcting the base rates used in the calculation of the 2017 Revenue Deficiency;
iii. Revising the RSP Fuel Rider for 2017 to reflect the March 2017 forecast fuel price;
iv. Revising the definition of the Isolated Systems Supply Cost Variance Deferral Account; and
v. Revising the Energy Supply Cost Variance Deferral formula.

17. In the GRA Compliance Order, the Board stated that it would not address the RSP rate adjustment for Newfoundland Power but that following receipt of further information from Hydro, the issue would be addressed in a further order of the Board. The Board also stated that the issues related to the Island Industrial Customers' RSP would also be addressed in a subsequent order of the Board.

18. In correspondence dated May 2, 2017, the Board directed Hydro to provide further information on the available options to mitigate the expected rate increase arising from the operation of the Newfoundland Power RSP in 2017, as well as the combined rate impacts for Newfoundland Power and retail customers for identified options and new rates arising from the general rate application.

The Board also requested that Hydro provide an update of estimated outstanding balances and Hydro's plans for disposition for all deferral accounts and any other recoveries for each customer class, as well as any offsetting credit balances that may be available to offset these liabilities. Hydro provided the requested information on May 3, 2017 and May 5, 2017.

19. On May 12, 2017, the Board issued Order No. P.U.16(2017) (the 2017 Newfoundland Power Rate Mitigation Order) directing Hydro to transfer the Newfoundland Power RSP Load Variation balance to the Newfoundland Power RSP Current Plan to mitigate the proposed July 1, 2017 RSP Adjustment Increase.

C. Compliance Rates Application

20. This Compliance Rates Application and the attached Exhibits are supplemental to, and as necessary, modifies Hydro's GRA Compliance Application and evidence to reflect the direction of the Board in the GRA Compliance Order and the 2017 Newfoundland Power Rates Mitigation Order, and the effects that flow from those orders.

21. This application does not address issues related to the recovery of the revenue deficiencies attributable to the Island Industrial Customers or any mechanisms to mitigate the proposed July 1, 2017 rate increases to the Island Industrial Customers, as such matters will be addressed in a separate order of the Board.

22. Exhibit 1, entitled *Overview,* provides an overview of the revisions to the evidence filed with the GRA Compliance Application, in accordance with the requirements of the GRA Compliance Order and the 2017 Newfoundland Power Rates Mitigation Order.

23. Exhibit 2 to the Compliance Rates Application, entitled *Revised Revenue Requirement Schedules*, provides revised revenue requirement schedules reflecting the Board's decisions in the GRA Compliance Order.

24. Exhibit 3 to the Compliance Rates Application, entitled *Recovery of Revenue Deficiencies*, provides a revised version of Hydro's revised: (i) calculation of the revenue deficiencies 2014, 2015, 2016, and 2017; (ii) Hydro's proposal for the allocation of these deficiencies by customer class; and (iii) Hydro's proposal for recovery of the revenue deficiencies and excess revenues for Newfoundland Power, Hydro Rural Labrador Interconnected customers, and Labrador Industrial Transmission customers. The updated version is required to reflect changes in the revenue deficiencies for 2014, 2015, and 2017, and the proposed disposition of excess revenues to customers on the Labrador Interconnected system, in accordance with the GRA Compliance Order.

25. Exhibit 4 to the Compliance Rates Application, entitled *Customer Rates Report*, provides Hydro's calculation of the rates, tolls and charges to be implemented on July 1, 2017. Exhibit 4 also includes the calculation of the proposed RSP

Adjustments, CDM Recovery Adjustment, and the customer rate impacts reflecting this Compliance Rates Application.

26. Exhibit 5 to the Compliance Rates Application, entitled *Revised Deferral Account Report,* provides Hydro's revised deferral account definitions in accordance with the GRA Order and the GRA Compliance Order.

27. Exhibit 6 to the Compliance Rates Application, entitled *RSP Reports*, provides the March 2017 RSP report, reflecting the approval of the 2015 Test Year values which were used to calculate the proposed RSP adjustments used in the derivation of July 1, 2017 customer rates. Exhibit 6 also includes revised RSP Summary sheets from those filed in Exhibits 6, 7, 8, and 9 in the GRA Compliance Application.

28. Exhibit 7 to the Compliance Rates Application, entitled *Revised Cost of Service Schedules for Revenue Deficiency,* provides revised Cost of Service Study summary schedules which provide the allocation of the revenue deficiencies for 2014, 2015, and 2016 among customer classes.

29. Exhibit 8 to the Compliance Rates Application, entitled *Revised 2015 Test Year Cost of Service for Rate Setting,* provides Hydro's revised 2015 Test Year Cost of Service Study for rate setting purposes and replaces Exhibit 13 of the GRA

Compliance Application. The cost of service required refiling as a result of revised rural revenues as a result of delayed rate implementation until July 1, 2017.

30. Exhibit 9 to the GRA Compliance Application, entitled *Schedule of Rates, Rules and Regulations,* provides Hydro's revised Schedule of Rates, Rules and Regulations and replaces Exhibit 14 of the GRA Compliance Application. Exhibit 9 includes a proposed revision to the RSP rules to permit a transfer of the balance in the RSP Hydraulic Variation balance and a transfer from the RSP Load Variation Component at March 31, 2017 to the Current Plan balances of Newfoundland Power.

C. Order Requested

31. Further to the matters described above, Hydro requests that the Board make an Order approving, pursuant to sections 58, 70, 71, 78, and 80, of the Act:

<u>Revenue Requirement</u>

(1) a revised average rate base for 2013 of $1,549,685,000;

(2) (a) a revised test year revenue requirement of $554,646,000 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 $539,219,000 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 the GRA Compliance 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 the GRA Compliance 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 the GRA Compliance Application;

(9) To eliminate the cumulative excess earnings for the period 2014 to 2017 from Newfoundland Power, Hydro's proposal to credit $6,577,000 to increase the balance in the Newfoundland Power RSP Current Plan balance effective January 1, 2017, and to debit $804,000 from the Newfoundland Power RSP Current Plan balance effective June 30, 2017, as set out in Exhibit 3 to this Application;

(10) Hydro's proposal to apply a rate reduction to Hydro's Rural customers on the Labrador Interconnected System to provide for the disposition of cumulate excess revenues over the period 2014 to 2017 as set out in Exhibit 3 to this Application;

(11) Hydro's proposal to provide a refund to Labrador Industrial Transmission customers for disposition of cumulative excess revenues over the period 2014-2017 as set out in Exhibit 3 to this Application;

Rates

(12) 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;

(13) Hydro's RSP Recovery Adjustment and RSP Mitigation Adjustment as set out in Exhibit 4 to this Application;

(14) Hydro proposal with respect to the finalization of Island Industrial Customer rates as set out in Exhibits 4 to the GRA Compliance Application and this Application;

(15) 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 Exhibits 4 to the GRA Compliance Application and this Application;

(16) 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 Exhibits 4 to the GRA Compliance Application and this Application;

(17) Hydro's proposal to implement CDM Cost Recovery adjustments for Newfoundland Power and the Island Industrial Customers as set out in Exhibit 4 to this Application.

(18) the rates, tolls and charges, including all RSP adjustments, as set out in Exhibit 9 to this Application;

(19) 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 9 to this Application;

Deferral accounts

(20) 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;

(21) 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;

(22) 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

(23) 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

32. 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

33. The Application is consistent with the GRA Order, the GRA Compliance Order, the 2017 Newfoundland Power Rate Mitigation Order, and with the other Orders of the Board set out in Hydro's GRA Compliance 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 18th day of May 2017.

NEWFOUNDLAND AND LABRADOR HYDRO

Tracey Pennell

Tracey Pennell
Senior Counsel for the Applicant
Newfoundland and Labrador Hydro
500 Columbus Drive P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 778-6671
Facsimile: (709) 737-1782

IN THE MATTER OF the *Electrical Power Control Act, 1994*, Chapter E-5.1(the *EPCA*) and 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 a GRA Compliance Application filed by Newfoundland and Labrador Hydro on January 27, 2017, 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);

AND IN THE MATTER OF an application (the Compliance Rates Application), reflecting the determinations set out in Order No. P.U. 14(2017), and Order No. P.U.16(2017).

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 18th day of)
May 2017, before me:)

Tracey Pennell

Barrister – Newfoundland and Labrador

Kevin J. Fagan

Compliance Rates Application

to Order No. 14(2017)

May 18, 2017

Compliance Rates Application - Exhibit 1

Overview

May 2017

A Report to the Board of Commissioners of Public Utilities

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1.0 Purpose

On December 1, 2016, the Board of Commissioners of Public Utilities (the Board) issued Order No. P.U. 49(2016) (the GRA Order) outlining its decisions and orders related to Newfoundland and Labrador Hydro's (Hydro) Amended General Rate Application (GRA). In the GRA Order, the Board directed Hydro to file a subsequent application reflecting the findings and determinations of the Board.[1]

On January 27, 2017, Hydro submitted its application for approval of various matters arising out of the Amended GRA in accordance with the requirements of the GRA Order (the GRA Compliance Application). The GRA Compliance Application proposed new customer rates to be implemented April 1, 2017.

On May 1, 2017, the Board issued Order No. P.U. 14(2017) (the GRA Compliance Order) setting out its determinations with respect to Hydro's proposals in the GRA Compliance Application. In the GRA Compliance Order, the Board directed Hydro to:

- Revise the proposed recovery of the revenue deficiencies for 2014 to 2017 to include Labrador Interconnected customers and the Labrador Industrial Transmission customers;[2]
- Reduce its 2014 and 2015 test year revenue requirements for revenue deficiency calculation by $400,000 to reflect the depreciation expenses associated with the capital projects that were carried over into 2015;[3]
- Revise its proposals to incorporate its accepted changes related to the issues raised by Grant Thornton;[4] and
- File a revised Compliance Application reflecting the findings of the Board in the GRA Compliance Order to establish customer rates to be implemented effective July 1, 2017.[5]

[1] Order No. P.U. 49(2016), page 130.
[2] Order No. P.U. 14(2017), page 9.
[3] Ibid., page 10.
[4] Ibid., page 15.

In the GRA Compliance Order, the Board expressed concern in relation to the proposed rate increases for customers arising from the operation of the Rate Stabilization Plan (RSP) for Newfoundland Power for July 1, 2017. On May 2, 2017, the Board issued a letter requesting that Hydro provide further information on available options to mitigate the expected increase arising from the operation of the Newfoundland Power RSP in 2017. In addition, the Board requested an update of estimated outstanding balances and Hydro's plans for disposition of all deferral accounts and any other recoveries for each customer class, as well as any offsetting credit balances that may be available to offset those liabilities. Hydro provided the requested information on May 3, 2017 and May 5, 2017.

On May 12, 2017, the Board issued Order No. P.U. 16(2017) (the 2017 Newfoundland Power Rate Mitigation Order), which directed Hydro to:

- Transfer the Newfoundland Power RSP Load Variation balance to the Newfoundland Power RSP Current Plan to mitigate the proposed July 1, 2017 RSP Adjustment rate increase;[6]
- Provide, with its compliance application, detailed calculation in relation to the transfer from the Newfoundland power RSP Load Variation balance and the resulting impacts on rates;[7] and
- Set out the proposed RSP Current Plan rate on the Utility Rate sheet showing the RSP Current Plan rate, calculated in the ordinary course, and the RSP Current Plan mitigation rate.[8]

The purpose of this report is to provide an overview of the revised evidence to support Hydro's application for approval of various matters arising out of the GRA Compliance Application in accordance with the requirements of the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order.

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[5] Ibid., page 17.
[6] Order No. P.U. 16(2017), page 14.
[7] Ibid.
[8] Ibid.

2.0 Exhibit 2 – Revised Revenue Requirement Schedules

In the GRA Compliance Order, the Board directed Hydro to reduce its 2014 and 2015 Test Year revenue requirement for revenue deficiency calculations by $400,000 to reflect the depreciation expenses associated with the capital projects that were carried over into 2015.[9]

Table 1 highlights the impact of the GRA Compliance Order on the revenue requirements requiring approval of the Board.

Table 1

Impact of P.U. 14(2017) ($000s)

	GRA Compliance Application	**P.U. 14(2017) Adjustments**	**GRA Compliance Rates Application**
2014 Test Year Revenue Requirement for Revenue Deficiency	555,046	(400)	554,646
2015 Test Year Revenue Requirement for Revenue Deficiency	539,619	(400)	539,219

The GRA Compliance Order did not require any modifications to the 2015 Test Year revenue requirement for determining 2016 revenue deficiency or the 2015 Test Year revenue requirement for rate setting.

Exhibit 2 provides revised finance schedules reflecting the $400,000 reduction in 2014 and 2015 revenue requirements for revenue deficiency. Although the Board did not order Hydro to modify the revenue requirement for 2016 revenue deficiency or the revenue requirement for rate setting, those finance schedules are also included in Exhibit 2 for information purposes.

[9] Order No. P.U. 14(2017), page 10.

3.0 Exhibit 3 – Recovery of Revenue Deficiencies

Exhibit 3 of the GRA Compliance Rates Application provides the revisions to the calculation of revenue deficiencies and the proposed recovery of revenue deficiencies to reflect the Board's determinations in the GRA Compliance Order.

3.1 Revisions to Revenue Deficiency Balances

The primary drivers of the changes in revenue deficiencies by class from those filed in the GRA Compliance Order are:

- The reduction of $400,000 in 2014 and 2015 Test Year revenue requirements for revenue deficiency;[10]
- The correction of a discrepancy in the return on rate base included in the 2014 cost of service study, resulting in an approximately $60,000 reallocation from Newfoundland Power's revenue requirement to the Labrador Interconnected revenue requirement;[11]
- The inclusion of Hydro Rural Labrador Interconnected customers and Labrador Industrial Transmission customers in 2014 to 2017 revenue deficiencies;[12]
- A correction of the base rates used in determining the 2017 revenue deficiency filed in the Compliance Application;[13] and
- A July 1, 2017 rate implementation date rather than April 1, 2017.[14]

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

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[10] Ibid.
[11] Ibid., pages 15 and 4.
[12] Ibid., page 9.
[13] Ibid., pages 15 and 4.
[14] Ibid.

Table 2

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

	2014	2015	2016	2017	Total
Newfoundland Power					
GRA Compliance	35,462	(9,611)	(31,604)	5,050	(703)
GRA Compliance Rates	35,015	(9,988)	(31,604)	804	(5,773)
Difference	**(447)**	**(377)**	**0**	**(4,246)**	**(5,070)**
Island Industrial Customers					
GRA Compliance	3,260	413	(2,076)	34	1,631
GRA Compliance Rates	3,233	389	(2,075)	(20)	1,527
Difference	**(27)**	**(24)**	**1**	**(54)**	**(104)**
Labrador Interconnected Hydro Rural					
GRA Compliance	0	0	0	0	0
GRA Compliance Rates	(541)	118	(75)	(31)	(529)
Difference	**(541)**	**118**	**(75)**	**(31)**	**(529)**
Labrador Industrial Transmission					
GRA Compliance	0	0	0	0	0
GRA Compliance Rates	0	(333)	(179)	(97)	(609)
Difference	**0**	**(333)**	**(179)**	**(97)**	**(609)**
Total					
GRA Compliance	38,722	(9,198)	(33,680)	5,084	928
GRA Compliance Rates	37,707	(9,814)	(33,933)	656	(5,384)
Total Difference	**(1,015)**	**(616)**	**(253)**	**(4,428)**	**(6,312)**

3.2 Recovery of Revenue Deficiencies

3.2.1 Island Industrial Customers

The Board has established a separate process to determine the approach for recovery of the cumulative revenue deficiency of approximately $1.5 million from Island Industrial Customers.[15]

[15] Ibid., page 17. On May 15, 2017, Corner Brook Pulp Paper, North Atlantic Refinery Limited (NARL) and Vale made a joint proposal with respect to a proposed approach to recovery of the GRA revenue deficiency from Island Industrial Customers. Hydro replied on May 16, 2017 and advised the Board that it does not object to the proposal to utilize the credit balance in the RSP Load Variation Component to provide compensation of $174,000 to NARL and to transfer approximately $1.6 million to eliminate the GRA Revenue Deficiency. This matter is currently before the Board.

3.2.2 Newfoundland Power

Hydro proposes to deal with the cumulative effect of revenue deficiencies and excess revenues between 2014 and 2017 through adjustments to the RSP. The cumulative excess revenues from 2014 to 2016 of approximately $6.6 million would be credited to the RSP Current Plan balance effective January 1, 2017. The 2017 revenue deficiency of $0.8 million would be debited to the RSP Current Plan balance effective June 30, 2017.

3.2.3 Labrador Interconnected System

Hydro proposes to provide the excess revenues from Hydro Rural customers on the Labrador Interconnected System by applying a rate reduction which would effectively refund the excess revenues over the 30 month period of July 1, 2017 to December 31, 2019. For Hydro Rural customers on the Labrador Interconnected System, this will result in a -1.05% reduction to the rates reflecting the 2015 Test Year revenue requirement.

Due to the relatively small number of Labrador Industrial Transmission customers, Hydro proposes to provide these customers with a refund of approximately $0.6 million in the form of a credit to their bills in September 2017.

3.3 Deferral Adjustments

Exhibit 3 also summarizes the necessary deferral adjustments for each year to reflect revenue deficiency/sufficiency, RSP change in test years, and additional supply costs. Table 3 summarizes approved cost deferrals and revenue deficiencies by year.

Table 3

Summary of Cost Deferrals and Revenue Deficiencies ($000s)

	2014	2015	2016	2017	Total
Approved Cost Deferrals	45,900[16]	30,200[17]	38,800[18]	-	114,900
Approved Fuel Cost Deferral	9,650[19]	-	-	-	9,650
Approved Cost Deferrals	**55,550**	**30,200**	**38,800**	**-**	**124,550**
Revenue Deficiency/(Excess Revenues)	37,707	(9,814)	(33,933)	656	(5,384)
RSP Balance Change in Test Years	-	37,473	38,969	-	76,442
Additional Energy Supply Costs	-	17,782	24,427	-	42,210
Net Revenue Deficiency/(Sufficiency)	**37,707**	**45,441**	**29,463**	**656**	**113,268**
Deferral Adjustment Required	**(17,843)**	**15,241**	**(9,337)**	**656**	**(11,282)**

The total of the cost deferrals approved for 2014 to 2016 was $124.6 million, while the cumulative total of the revenue deficiencies was $113.3 million. Subsequent to the approval of the Energy Supply Cost Variance Account definition provided in Exhibit 5, Hydro will file an application for recovery of the $42.2 million balance owing from customers.[20] Following recovery of the revenue deficiencies in 2017 with the updating of the RSP to reflect the 2015 Test Year, and subsequent to a Board decision on an application to be filed by Hydro for recovery of the supply cost deferrals for 2015 and 2016, Hydro will close the revenue deficiency deferral accounts.

[16] Approved by Order No. P.U. 58(2014), page 9.
[17] Approved by Order No. P.U. 36(2015), page 14.
[18] Approved by Order No. P.U. 56(2016), page 6.
[19] Approved by Order No. P.U. 56(2014), page 4.
[20] Reflects actual deferred energy supply costs for 2015 and 2016. $38.8 million approved deferral was based on 2016 forecast.

4.0 Exhibit 4 – Customer Rates Report

Exhibit 4 uses Hydro's revised 2015 Test Year revenue requirement for rate setting purposes[21] and incorporates the Board's findings in the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order to develop customer rates. Exhibit 4 provides:

- The approach followed by Hydro in computing proposed customer rates;
- The proposed RSP Adjustments to become effective July 1, 2017;
- The proposed Conservation and Demand Management (CDM) Recovery Adjustments to become effective July 1, 2017;
- A comparison of the existing and proposed customer rates including the estimated customer billing impacts from implementation of the proposed customer rates; and
- A reconciliation of revenues from proposed customer base rates to the revised 2015 Test Year revenue requirement for rate-setting.

4.1 Rate Design

The proposed customer rates for Newfoundland Power and Island Industrial Customers reflect a new RSP fuel rider, RSP Recovery Adjustment, and a new CDM Recovery Adjustment to become effective July 1, 2017.

4.1.1 Cost of Service Study

The delayed implementation of GRA rates until July 1, 2017, does not change the 2015 Test Year revenue requirement for rate setting. However, the revised implementation date does impact forecast Test Year revenues from Hydro Rural customers which, in turn, impact the rural deficit and the allocated revenue requirement to Newfoundland Power and Hydro Rural customers on the Labrador Interconnected System. Consequently, Hydro was required to update the 2015 Test Year Cost of Service Study to reflect these changes. The updated 2015 Test Year Cost of Service Study is provided in Exhibit 8.

[21] Exhibit 2, pages 5-8.

4.1.2 RSP Fuel Riders

Hydro submitted its updated proposed 2017 fuel riders to the Board on April 18, 2017. The riders reflect forecast average No. 6 fuel cost for the period of July 2017 to June 2018 of $81.40 per barrel ($Can).[22] As shown in Appendix A to Exhibit 4, the proposed fuel rider for Newfoundland Power is 0.672 cents/kWh and the proposed fuel rider for Island Industrial Customers is 0.625 cents/kWh. Hydro has used these fuel riders in its proposed July 1, 2017 rate schedules.

4.1.3 RSP Recovery Adjustment

The RSP Recovery Adjustment for Newfoundland Power is updated annually on July 1 based on the March 31 Current Plan Balance. Based on the normal operation of the RSP for 2017, there would be a rate increase for retail customers in excess of approximately 18%. In 2017 Newfoundland Power Rate Mitigation Order, the Board has directed Hydro to transfer of 100% of the Newfoundland Power RSP Load Variation balance to the Newfoundland Power RSP Current Plan to mitigate the proposed rate increase.[23] The rate mitigation transfer to the RSP Current Plan balance for Newfoundland Power effective March 31, 2017 reduces the rate increase to the customers of Newfoundland Power to 8.5%.

In order to transfer the $50.7 million balance of the Newfoundland Power RSP Load Variation balance to the Newfoundland Power RSP Current Plan, section B.4 of the RSP Rules are proposed to be revised. Hydro is seeking approval of this change in the GRA Compliance Rates Application. Revised RSP Rules are provided in Exhibit 9.

4.1.4 CDM Adjustment

The CDM Cost Recovery schedule was approved for inclusion in the Schedule of Rates, Rules and Regulations in the GRA Order. The CDM Cost Recovery Adjustment provides the method of

[22] The proposed fuel riders to become effective on July 1, 2017, use a $U.S. to $Can. exchange rate of 1.3388 from the month of March, 2017.
[23] Order No. P.U. 16(2017), page 14.

allocation and recovery of the CDM Cost Deferral Account balance, with rate adjustments to be implemented for Newfoundland Power and Island Industrial Customers each July 1.

Appendix C to Exhibit 4 provides a calculation of the CDM Cost Recovery adjustments for each of Newfoundland Power and the Island Industrial Customers. The CDM Cost Recovery Adjustment for Newfoundland Power is 0.019 cents/kWh. The proposed CDM Cost Recovery Adjustment for the Island Industrial Customers is 0.009 cents/kWh.

4.2 Proposed Customer Rates and Customer Billing Impacts

Hydro's proposed customer rates, reflecting the determinations of the Board in the GRA Order, the Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order, are explained in detail in Exhibit 4. Rates reflect an implementation date of July 1, 2017.

Rates have been revised from those filed in the GRA Compliance Application as a result of the change in the implementation date from that proposed in the GRA Compliance Application and the required update to the RSP rate adjustments.

In summary, the annualized billing impact of implementing the proposed Utility base rate and the new fuel rider is a 12.6% increase. The end-consumer impact as a result of the Utility Rate increase is estimated to be an approximate 8.5% increase.

The annualized billing impact of implementing the proposed Island Industrial Customer rate is an average 16.8% increase.[24]

The proposed rate change for the Hydro Rural Island Interconnected customers and customers in L'Anse au Loup equal the proposed rate increase of 8.5% to the customers of Newfoundland

[24] Options to potentially mitigate the rate impacts to Island Industrial Customers are being considered separately by the Board. Hydro is currently reviewing the proposal put forth by the Island Industrial Customers on May 17, 2017, and will file a response no later than Wednesday, May 24, 2017.

Power. The proposed rate change for customers on the Labrador Interconnected system is an overall decrease of 0.7% with a 0.9% decrease applied equally to each rate class with the exception of Street and Area Lighting (14.1% increase).

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

Table 4

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

Customer	Customer Rate Impact
Newfoundland Power End-Consumer	8.5%
Island Industrial Customers	16.8%
Praxair	13.0%
Vale	16.6%
Corner Brook Pulp and Paper	30.6%
North Atlantic Refining Limited	12.3%
Teck Resources	38.2%
Labrador Industrial Transmission	(4.3%)
Canadian Forces Base Goose Bay – Secondary	0.0%
Rural Island Interconnected	8.5%
Rural Isolated Systems	15.1%
Domestic Diesel	13.0%
General Service 2.1D	24.3%
General Service 2.2D	24.9%
General Service – Island Interconnected Rates	8.5%
Streetlights	8.5%
Government Diesel	8.6%
L'Anse au Loup	8.5%
Rural Labrador Interconnected	(0.7%)

The supporting calculations for these rates are provided in the appendices to Exhibit 4. The associated rate sheets are provided in Exhibit 9 to this GRA Compliance Rates Application.

5.0 Exhibit 5 – Revised Deferral Account Report

Hydro has updated the Energy Supply Cost Variance Deferral Account and the Isolated Systems Supply Cost Variance Deferral Account definitions to reflect the issues as noted by Grant Thornton in its Financial Consultants Report on Hydro's Compliance Application,[25] as directed by the Board.[26] Updated definitions are included in Appendices A through D to Exhibit 5. This Exhibit 5 wholly replaces the Exhibit 5 filed with Hydro's GRA Compliance Application.

6.0 Other Exhibits

Exhibit 6 provides revised RSP Summary sheets to correct for errors identified by Grant Thornton for each of the following RSP reports: [27]

- 2015 using 2007 Test Year assumptions;
- 2015 using 2015 Test Year assumptions;
- 2016 using 2007 Test Year assumptions; and
- 2016 using 2015 Test Year assumptions.

Exhibit 6 also includes a full RSP Report as of March 31, 2017, using 2015 Test Year assumptions. This report shows the $50.7 million transfer from the RSP Load Variation Component to the Newfoundland Power RSP Current Plan effective March 31, 2017.

Exhibit 7 provides revised Cost of Service Study summary schedules which provide the allocation of revenue deficiencies by customer class for 2014 to 2016. Hydro updated these schedules to reflect the reallocation of approximately $60,000 from Newfoundland Power's revenue requirement to the Labrador Interconnected revenue requirement in the 2014 Cost of

[25] Page 67.
[26] Order No. P.U. 14(2016), page 15.
[27] Grant Thornton's Financial Consultants Report on Hydro's Compliance Application, page 43.

Service study and the $400,000 reduction in revenue requirement related to depreciation expenses associated with the capital projects that were carried over into 2015.

Exhibit 8 provides Hydro’s revised 2015 Test Year Cost of Service for rate setting purposes updated to reflect the change in Hydro Rural revenues due to the change in the implementation date. This wholly replaces Exhibit 13 of Hydro’s GRA Compliance Application. Exhibit 9 provides Hydro’s revised Schedule of Rates, Rules and Regulations, including revised RSP Rules, reflecting the findings and determinations of the Board in the GRA Compliance Order. This wholly replaces Exhibit 14 of Hydro’s GRA Compliance Application.

7.0 Conclusion

In the GRA Compliance Order and the 2017 Newfoundland Power Rate Mitigation Order, the Board made a number of determinations on proposals contained in, and matters arising from, Hydro’s Amended GRA. The revisions to the Exhibits to this GRA Compliance Application set forth Hydro’s revised evidence in support of its application.

Compliance Rates Application - Exhibit 2

Revised Revenue Requirement Schedules

May 2017

A Report to the Board of Commissioners of Public Utilities

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Exhibit 2 - Revised Revenue Requirement Schedules

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (Revised 2014 Test Year)
Statement of Income and Retained Earnings
($000s)

		Compliance Filing 2014	P.U. 14(2017) Adjustment 2014	Revised TY 2014
1	**Revenue**			
2	Energy sales	514,599	-	514,599
3	Revenue deficiency	38,112	(400)	37,712
4	Other revenue	2,335	-	2,335
5	**Total revenue**	555,046	(400)	554,646
6				
7	**Expenses**			
8	Operating expenses	114,702	-	114,702
9	Other Income and expense	2,068	-	2,068
10	Fuels	200,292	-	200,292
11	Power purchases	66,668	-	66,668
12	Amortization	54,793	(400)	54,393
13	Accretion of asset retirement obligation	726	-	726
14	Interest	87,624	-	87,624
15	**Total expenses**	526,873	(400)	526,473
16				
17	**Net income**	28,173	-	28,173
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**	259,556	-	259,556

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (Revised 2014 Test Year)
Rate of Return on Rate Base
($000s)

		Compliance Filing	P.U. 14(2017) Adjustment	Revised TY
		2014	2014	2014
1	**Property, plant, and equipment**	1,606,652	-	1,606,652
2	add: accumulated depreciation	104,535	-	104,535
3	add: contributions in aid of construction	3,061	-	3,061
5	less: work in progress	(128,003)	-	(128,003)
6	**Capital assets in service**	1,586,244	-	1,586,244
7	less: asset retirement obligation	(14,508)	-	(14,508)
8	less: contributions in aid of construction	(3,061)	-	(3,061)
9	less: accumulated depreciation	(104,522)	-	(104,522)
10	**Capital assets - current year**	1,464,153	-	1,464,153
11	**Capital assets - previous year**	1,432,533	-	1,432,533
12	Unadjusted capital assets - average	1,448,343	-	1,448,343
13	less: Average net assets not in use	(8,214)	-	(8,214)
14	**Capital assets - average**	1,440,129	-	1,440,129
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	90,774	-	90,774
20	less: Deferred Charges not in use	(1,955)	-	(1,955)
21				
22	**Average rate base**	1,629,088	-	1,629,088
23				
24	Unadjusted return on regulated equity	28,173	-	28,173
25	add: Cost of service exclusions	1,124	-	1,124
26	Interest	87,624	-	87,624
27	**Return on rate base**	116,920	-	116,920
28				
29	**Rate of return on rate base**	7.18%	0.00%	7.18%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (Revised 2014 Test Year)
Forecast Average Cost of Debt
($000s)

	Series	Interest Rate	Year of Issue	Year of Maturity	Compliance Filing	P.U. 14(2017) Adjustment	Revised TY
					2014	2014	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**				1,199,954	-	1,199,954
17							
18	**Average debt**				1,058,966	-	1,058,966
19							
20					**Compliance**	**P.U. 14(2017) Adjustment**	**Revised TY**
21					**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				1,584	-	1,584
27	Other interest				1,053	-	1,053
28	Interest on sinking fund				(16,026)	-	(16,026)
29					75,570	-	75,570
30							
31	**Embedded cost of debt**				7.14%	0.00%	7.14%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (Revised 2014 Test Year)
Capital Structure
($000s)

		Compliance Filing 2014	P.U. 14(2017) Adjustment 2014	Revised TY 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		1,208,141	-	1,208,141
8	Cost of service exclusions	-	-	-
9	Non-regulated debt pool	(8,187)	-	(8,187)
10	Net regulated debt	1,199,954	-	1,199,954
11	Asset retirement obligation	20,135	-	20,135
12	less: unfunded asset retirement obligation	(10,339)	-	(10,339)
13	Employee future benefits	66,213	-	66,213
14	Contributed capital	100,000	-	100,000
15	Retained earnings cost of service exclusions	1,765	-	1,765
16	Retained earnings	259,556	-	259,556
17	**Total**	1,637,284	-	1,637,284
18				
19	**Regulated capital structure (%)**			
20	Debt	73.3%	0.0%	73.3%
21	Asset retirement obligation	0.6%	0.0%	0.6%
22	Employee future benefits	4.0%	0.0%	4.0%
23	Equity	22.1%	0.0%	22.1%
24	**Total**	100.0%	0.0%	100.0%
25				
26	**Regulated average capital structure (%)**			
27	Debt	71.4%	0.0%	71.4%
28	Asset retirement obligation	0.6%	0.0%	0.6%
29	Employee future benefits	4.4%	0.0%	4.4%
30	Equity	23.62%	0.0%	23.62%
31	**Total**	100.0%	0.0%	100.0%
32				
33	**Weighted average cost of capital (WACC)**			
34	Embedded cost of debt	7.14%	0.00%	7.14%
35	Asset retirement obligation	0.00%	0.00%	0.00%
36	Employee future benefits	0.00%	0.00%	0.00%
37	Equity	8.80%	0.00%	8.80%
38	**WACC**	7.18%	0.00%	7.18%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Test Year Rate Setting)
Statement of Income and Retained Earnings
($000s)

		Compliance Filing Test Year	P.U. 14(2017) Adjustment Test Year	Rate Setting Test Year
1	**Revenue**			
2	Energy sales	564,002	-	564,002
3	Revenue deficiency	-	-	-
4	Other revenue	2,508	-	2,508
5	**Total revenue**	566,510	-	566,510
6				
7	**Expenses**			
8	Operating expenses	131,350	-	131,350
9	Other Income and expense	4,074	-	4,074
10	Fuels	187,464	-	187,464
11	Power purchases	62,827	-	62,827
12	Amortization	63,230	-	63,230
13	Accretion of asset retirement obligation	748	-	748
14	Interest	89,453	-	89,453
15	**Total expenses**	539,145	-	539,145
16				
17	**Net income**	27,364	-	27,364
18				
19	**Retained earnings**			
20	Balance at beginning of year	259,556	-	259,556
21	Opening adjustment - retained earnings	-	-	-
22	Dividends	-	-	-
23	**Balance at end of year**	286,920	-	286,920

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Test Year Rate Setting)
Rate of Return on Rate Base
($000s)

		Compliance Filing Test Year	P.U. 14(2017) Adjustment Test Year	Rate Setting Test Year
1	**Property, plant, and equipment**	1,882,883	-	1,882,883
2	add: accumulated depreciation	204,001	-	204,001
3	add: contributions in aid of construction	17,936	-	17,936
5	less: work in progress	(240,977)	-	(240,977)
6	**Capital assets in service**	1,863,843	-	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	(203,834)	-	(203,834)
10	**Capital assets - current year**	1,629,904	-	1,629,904
11	**Capital assets - previous year**	1,610,437	-	1,610,437
12	Unadjusted capital assets - average	1,620,170	-	1,620,170
13	less: Average net assets not in use	(7,318)	-	(7,318)
14	**Capital assets - average**	1,612,852	-	1,612,852
15				
16	Cash working capital allowance	7,037	-	7,037
17	Fuel	47,398	-	47,398
18	Materials and supplies	27,402	-	27,402
19	Deferred charges	95,132	-	95,132
20	less: Deferred Charges not in use	(4,467)	-	(4,467)
21				
22	**Average rate base**	1,785,353	-	1,785,353
23				
24	Unadjusted return on regulated equity	27,364	-	27,364
25	add: Cost of service exclusions	1,177	-	1,177
26	Interest	89,453	-	89,453
27	**Return on rate base**	117,994	-	117,994
28				
29	**Rate of return on rate base**	6.61%	0.00%	6.61%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Test Year Rate Setting)
Forecast Average Cost of Debt
($ 000s)

	Series	Interest Rate	Year of Issue	Year of Maturity	Compliance Filing Test Year	P.U. 14(2017) Adjustment Test Year	Rate Setting Test Year
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**				1,433,578	-	1,433,578
17							
18	**Average debt**				1,316,766	-	1,316,766
19							
20					**Compliance Filing**	**P.U. 14(2017) Adjustment**	**Rate Setting**
21					**Test Year**	**Test Year**	**Test Year**
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				1,887	-	1,887
27	Other interest				(1,230)	-	(1,230)
28	Interest on sinking fund				(13,413)	-	(13,413)
29					85,221	-	85,221
30							
31	**Embedded cost of debt**				6.47%	0.00%	6.47%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Test Year Rate Setting)
Capital Structure
($000s)

		Compliance Filing Test Year	P.U. 14(2017) Adjustment 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		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	20,740	-	20,740
12	less: unfunded asset retirement obligation	(8,493)	-	(8,493)
13	Employee future benefits	72,454	-	72,454
14	Contributed capital	100,000	-	100,000
15	Retained earnings cost of service exclusions	2,154	-	2,154
16	Retained earnings	286,920	-	286,920
17	**Total**	1,907,353	-	1,907,353
18				
19	**Regulated capital structure (%)**			
20	Debt	75.2%	0.00%	75.2%
21	Asset retirement obligation	0.6%	0.00%	0.6%
22	Employee future benefits	3.8%	0.00%	3.8%
23	Equity	20.4%	0.00%	20.4%
24	**Total**	100.0%	0.00%	100.0%
25				
26	**Regulated average capital structure (%)**			
27	Debt	74.2%	0.00%	74.2%
28	Asset retirement obligation	0.6%	0.00%	0.6%
29	Employee future benefits	3.9%	0.00%	3.9%
30	Equity	21.23%	0.00%	21.23%
31	**Total**	100.0%	0.00%	100.0%
32				
33	**Weighted average cost of capital (WACC)**			
34	Embedded cost of debt	6.47%	0.00%	6.47%
35	Asset retirement obligation	0.00%	0.00%	0.00%
36	Employee future benefits	0.00%	0.00%	0.00%
37	Equity	8.50%	0.00%	8.50%
38	**WACC**	6.61%	0.00%	6.61%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Revenue Deficiency)
Statement of Income and Retained Earnings
($000s)

		Compliance Filing 2015	P.U. 14(2017) Adjustment 2015	Revenue Deficiency 2015
1	**Revenue**			
2	Energy sales	537,111	(400)	536,711
3	Revenue deficiency	-	-	-
4	Other revenue	2,508	-	2,508
5	**Total revenue**	539,619	(400)	539,219
6				
7	**Expenses**			
8	Operating expenses	130,350	-	130,350
9	Other Income and expense	4,074	-	4,074
10	Fuels	164,239	-	164,239
11	Power purchases	62,827	-	62,827
12	Amortization	63,230	(400)	62,830
13	Accretion of asset retirement obligation	748	-	748
14	Interest	92,161	-	92,161
15	**Total expenses**	517,628	(400)	517,228
16				
17	**Net income**	21,990	-	21,990
18				
19	**Retained earnings**			
20	Balance at beginning of year	259,556	-	259,556
21	Opening adjustment - retained earnings	-	-	-
22	Dividends	-	-	-
23	**Balance at end of year**	281,546	-	281,546

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Revenue Deficiency)
Rate of Return on Rate Base
($000s)

		Compliance Filing 2015	P.U. 14(2017) Adjustment 2015	Revenue Deficiency 2015
1	**Property, plant, and equipment**	1,882,883	-	1,882,883
2	add: accumulated depreciation	204,001	-	204,001
3	add: contributions in aid of construction	17,936	-	17,936
5	less: work in progress	(240,977)	-	(240,977)
6	**Capital assets in service**	1,863,843	-	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	(203,834)	-	(203,834)
10	**Capital assets - current year**	1,629,904	-	1,629,904
11	**Capital assets - previous year**	1,464,153	-	1,464,153
12	Unadjusted capital assets - average	1,547,029	-	1,547,029
13	less: Average net assets not in use	(7,318)	-	(7,318)
14	**Capital assets - average**	1,539,711	-	1,539,711
15				
16	Cash working capital allowance	7,037	-	7,037
17	Fuel	42,164	-	42,164
18	Materials and supplies	27,402	-	27,402
19	Deferred charges	117,247	-	117,247
20	less: Deferred Charges not in use	(4,467)	-	(4,467)
21				
22	**Average rate base**	1,729,093	-	1,729,093
23				
24	Unadjusted return on regulated equity	21,991	-	21,991
25	add: Cost of service exclusions	1,177	-	1,177
26	Interest	92,161	-	92,161
27	**Return on rate base**	115,330	-	115,330
28				
29	**Rate of return on rate base**	6.67%	0.00%	6.67%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Revenue Deficiency)
Forecast Average Cost of Debt
($000s)

	Series	Interest Rate	Year of Issue	Year of Maturity	Compliance Filing 2015	P.U. 14(2017) Adjustment 2015	Revenue Deficiency 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**				1,433,578	-	1,433,578
17							
18	**Average debt**				1,316,766	-	1,316,766
19							

		Compliance Filing 2015	P.U. 14(2017) Adjustment 2015	Revenue Deficiency 2015
20				
21				
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	1,887	-	1,887
27	Other interest	(1,230)	-	(1,230)
28	Interest on sinking fund	(13,413)	-	(13,413)
29		85,221	-	85,221
30				
31	**Embedded cost of debt**	6.47%	0.00%	6.47%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2015 Revenue Deficiency)
Capital Structure
($000s)

		Compliance Filing 2015	P.U. 14(2017) Adjustment 2015	Revenue Deficiency 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		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	20,740	-	20,740
12	less: unfunded asset retirement obligation	(8,493)	-	(8,493)
13	Employee future benefits	72,454	-	72,454
14	Contributed capital	100,000	-	100,000
15	Retained earnings cost of service exclusions	2,154	-	2,154
16	Retained earnings	281,547	-	281,547
17	**Total**	1,901,981	-	1,901,981
18				
19	**Regulated capital structure (%)**			
20	Debt	75.4%	0.0%	75.4%
21	Asset retirement obligation	0.6%	0.0%	0.6%
22	Employee future benefits	3.8%	0.0%	3.8%
23	Equity	20.2%	0.0%	20.2%
24	**Total**	100.0%	0.0%	100.0%
25				
26	**Regulated average capital structure (%)**			
27	Debt	74.3%	0.0%	74.3%
28	Asset retirement obligation	0.6%	0.0%	0.6%
29	Employee future benefits	3.9%	0.0%	3.9%
30	Equity	21.12%	0.0%	21.12%
31	**Total**	100.0%	0.0%	100.0%
32				
33	**Weighted average cost of capital (WACC)**			
34	Embedded cost of debt	6.47%	0.00%	6.47%
35	Asset retirement obligation	0.00%	0.00%	0.00%
36	Employee future benefits	0.00%	0.00%	0.00%
37	Equity	8.80%	0.00%	8.80%
38	**WACC**	6.67%	0.00%	6.67%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2016 Revenue Deficiency)
Statement of Income and Retained Earnings
($000s)

		Compliance Filing 2016	P.U. 14(2017) Adjustment 2016	Revenue Deficiency 2016
1	**Revenue**			
2	Energy sales	541,874	-	541,874
3	Revenue deficiency	-	-	-
4	Other revenue	2,508	-	2,508
5	**Total revenue**	544,382	-	544,382
6				
7	**Expenses**			
8	Operating expenses	131,350	-	131,350
9	Other Income and expense	4,074	-	4,074
10	Fuels	164,239	-	164,239
11	Power purchases	62,827	-	62,827
12	Amortization	63,230	-	63,230
13	Accretion of asset retirement obligation	748	-	748
14	Interest	86,695	-	86,695
15	**Total expenses**	513,162	-	513,162
16				
17	**Net income**	31,220	-	31,220
18				
19	**Retained earnings**			
20	Balance at beginning of year	259,556	-	259,556
21	Opening adjustment - retained earnings	-	-	-
22	Dividends	-	-	-
23	**Balance at end of year**	290,776	-	290,776

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2016 Revenue Deficiency)
Rate of Return on Rate Base
($000s)

		Compliance Filing 2016	P.U. 14(2017) Adjustment 2016	Revenue Deficiency 2016
1	**Property, plant, and equipment**	1,882,883	-	1,882,883
2	add: accumulated depreciation	204,001	-	204,001
3	add: contributions in aid of construction	17,936	-	17,936
5	less: work in progress	(240,977)	-	(240,977)
6	**Capital assets in service**	1,863,843	-	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	(203,834)	-	(203,834)
10	**Capital assets - current year**	1,629,904	-	1,629,904
11	**Capital assets - previous year**	1,610,437	-	1,610,437
12	Unadjusted capital assets - average	1,620,170	-	1,620,170
13	less: Average net assets not in use	(7,318)	-	(7,318)
14	**Capital assets - average**	1,612,852	-	1,612,852
15				
16	Cash working capital allowance	7,037	-	7,037
17	Fuel	42,164	-	42,164
18	Materials and supplies	27,402	-	27,402
19	Deferred charges	117,247	-	117,247
20	less: Deferred Charges not in use	(4,467)	-	(4,467)
21				
22	**Average rate base**	1,802,235	-	1,802,235
23				
24	Unadjusted return on regulated equity	31,220	-	31,220
25	add: Cost of service exclusions	1,177	-	1,177
26	Interest	86,695	-	86,695
27	**Return on rate base**	119,092	-	119,092
28				
29	**Rate of return on rate base**	6.61%	0.00%	6.61%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2016 Revenue Deficiency)
Forecast Average Cost of Debt
($000s)

	Series	Interest Rate	Year of Issue	Year of Maturity	Compliance Filing 2016	P.U. 14(2017) Adjustment 2016	Revenue Deficiency 2016
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**				1,433,578	-	1,433,578
17							
18	**Average debt**				1,316,766	-	1,316,766
19							

		Compliance Filing	P.U. 14(2017) Adjustment	Revenue Deficiency
20				
21		2016	2016	2016
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	1,887	-	1,887
27	Other interest	(1,230)	-	(1,230)
28	Interest on sinking fund	(13,413)	-	(13,413)
29		85,221	-	85,221
30				
31	**Embedded cost of debt**	6.47%	0.00%	6.47%

Newfoundland and Labrador Hydro
Financial Results and Forecasts
Finance Schedules (2016 Revenue Deficiency)
Capital Structure
($000s)

		Compliance Filing	P.U. 14(2017) Adjustment	Revenue Deficiency
		2016	2016	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	20,740	-	20,740
12	less: unfunded asset retirement obligation	(8,493)	-	(8,493)
13	Employee future benefits	72,454	-	72,454
14	Contributed capital	100,000	-	100,000
15	Retained earnings cost of service exclusions	2,154	-	2,154
16	Retained earnings	290,776	-	290,776
17	**Total**	1,911,209	-	1,911,209
18				
19	**Regulated capital structure (%)**			
20	Debt	75.0%	0.0%	75.0%
21	Asset retirement obligation	0.6%	0.0%	0.6%
22	Employee future benefits	3.8%	0.0%	3.8%
23	Equity	20.6%	0.0%	20.6%
24	**Total**	100.0%	0.0%	100.0%
25				
26	**Regulated average capital structure (%)**			
27	Debt	74.1%	0.0%	74.1%
28	Asset retirement obligation	0.6%	0.0%	0.6%
29	Employee future benefits	3.9%	0.0%	3.9%
30	Equity	21.31%	0.0%	21.31%
31	**Total**	100.0%	0.0%	100.0%
32				
33	**Weighted average cost of capital (WACC)**			
34	Embedded cost of debt	6.47%	0.0%	6.47%
35	Asset retirement obligation	0.00%	0.0%	0.00%
36	Employee future benefits	0.00%	0.0%	0.00%
37	Equity	8.50%	0.0%	8.50%
38	**WACC**	6.61%	0.0%	6.61%

Compliance Rates Application - Exhibit 3

Recovery of Revenue Deficiencies

May 2017

A Report to the Board of Commissioners of Public Utilities

Table of Contents

1.0 Introduction

In Order No. P.U. 49(2016) (the GRA Order), the Board determined that Hydro is permitted recovery with respect to the 2014 and 2015 revenue deficiencies reflecting the findings of the Board.[1] The Board directed Hydro to file a proposal for the recovery of the 2014 and 2015 revenue deficiencies, including the 2014 additional supply cost deferral, reflecting the Board's findings in the GRA Order.[2] The Board also recognized that delayed implementation of customer rates beyond January 1, 2016 may contribute to further revenue deficiencies.[3]

To determine the revenue deficiency by customer class in its GRA Compliance Application filed on January 27, 2017, Hydro completed Cost of Service studies reflecting the Board's decisions in the GRA Order. This permitted Hydro to use a cost-based approach, consistent with that approved by the Board, in determining revenue deficiency responsibility by customer class.

Exhibit 3 of the GRA Compliance Application provided the following:

- Hydro's explanation of the impact of the RSP on the 2014, 2015 and 2016 revenue deficiencies;
- Revenue deficiency calculations for 2014, 2015, 2016, and 2017;
- Proposed allocation of the revenue deficiencies by customer class for customers currently billed on interim rates; and,
- Hydro's proposal with respect to recovery of the deficiencies from customers.

This report provides the revisions to the calculation of revenue deficiencies and the proposed recovery of revenue deficiencies to reflect Order No. P.U. 14(2017) (the GRA Compliance Order).

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[1] Order No. P.U. 49(2016). For the Board's findings on the 2014 revenue deficiency, see pages 75–83. For the Board's findings on the 2015 revenue deficiency, see pages 84–86.
[2] Ibid., page 82.
[3] Ibid., page 129.

2.0 Revenue Deficiency Revisions

2.1 Depreciation

In the GRA Compliance Order, the Board directed Hydro to reduce its 2014 and 2015 Test Year revenue requirements for revenue deficiency by $400,000.[4] Hydro has made this adjustment in its 2014 and 2015 Test Year Cost of Service studies and recalculated revenue deficiency by customer class.

2.2 Labrador Interconnected System

In the GRA Compliance Rates Application, Hydro proposed not to determine revenue deficiencies resulting from delays in rate implementation for customers on the Labrador Interconnected System because the rates for these customers on the Labrador Interconnected system had not been made interim. In the GRA Compliance Order, the Board directed Hydro to revise the proposed recovery of the revenue deficiencies for 2014 to 2017 to include Hydro Rural Labrador Interconnected customers and Labrador Industrial Transmission customers.

The next section provides the revised revenue deficiencies reflecting the GRA Compliance Order by customer class, by year (including customers on the Labrador Interconnected System). Exhibit 7 provides the Test Year Cost of Service summary schedules showing the revenue deficiencies by customer class.

2.3 2014 Revised Revenue Deficiency

2.3.1 Allocation of 2014 Revenue Deficiency

The revised 2014 Test Year Cost of Service for 2014 revenue deficiency was prepared in accordance with the approved Cost of Service Methodology reflecting the Board's decisions in the GRA Order as a basis for determining the 2014 cost responsibility by customer class.

Table 1 provides a summary of the 2014 Test Year revenues resulting from rates in effect for 2014 compared to the revised allocated 2014 Test Year costs by customer group.

[4] Order No. P.U. 14(2017).

Table 1
2014 Revenues vs. Costs ($000s)

	2014 Revenues[5]	2014 TY Costs[6]	Difference	Revenue to Cost Ratio
Newfoundland Power	483,433	460,001	23,432	1.05
Island Industrial Customers	26,833	30,066	(3,233)	0.89
Labrador Interconnected	19,730	17,026	2,704	1.16
Other Hydro Rural[7]	66,455	127,065	(60,610)	0.52
Labrador Industrial Transmission Customers	1,936	1,936	0	1.00
Total	**598,387**	**636,094**	**(37,707)**	**0.94**

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

Table 2 provides an allocation of the 2014 Rural Deficit based on the 2014 Test Year revenue deficiency revenue requirement from rates for Newfoundland Power and Labrador Interconnected customers.

[5] Exhibit 7, 2014 Test Year Cost of Service, Schedule 1.2, page 1 of 6, Column 2.
[6] Exhibit 7, 2014 Test Year Cost of Service, Schedule 1.2, page 1 of 6, Column 3.
[7] Includes the effects of CFB Goose Bay Secondary for which the 2014 revenue credit of $743,000 is used to reduce the Rural Deficit.
[8] 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.

Table 2
2014 Rural Deficit Allocation ($000s)

	2014 TY Costs Excl. Deficit	Rural Deficit Allocation	Total 2014 TY Costs Incl. Deficit	Revenue to Cost Ratio
Newfoundland Power	460,001	58,447	518,448	1.13
Labrador Interconnected	17,026	2,163	19,189	1.13
Total	**477,548**	**60,610**[9]	**537,637**	

Table 3 provides a calculation of the 2014 revenue deficiency to be recovered from Newfoundland Power, the Island Industrial customers, and the customers on the Labrador Interconnected System.[10] Revenue deficiency amounts equal the difference between the 2014 Test Year revenues from rates and the revised 2014 Test Year costs.[11]

Table 3
2014 Revenue Deficiency Allocation ($000s)

	2014 Revenues	2014 TY Costs	Difference
Newfoundland Power	483,433	518,448	(35,015)
Island Industrial Customers	26,833	30,066	(3,233)
Labrador Int. - Hydro Rural	19,730	19,189	541
Labrador Industrial Cost Recovery[12]	1,936	1,936	0

The revised 2014 Test Year Cost of Service Study shows a 2014 revenue deficiency of $35.0 million to be recovered from Newfoundland Power, $3.2 million to be recovered from Island

[9] Exhibit 7, 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.

[10] 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 reduces the Rural Deficit to be recovered from Newfoundland Power.

[11] For Newfoundland Power, the 2014 Test Year costs include the Rural Deficit.

[12] There are no revenues or costs for the Labrador Industrial Transmission Customers in 2014 as the Labrador Transmission rate was not implemented until 2015.

Industrial customers and $0.5 million in excess revenue from Hydro's Rural customers on the Labrador Interconnected System.

2.3.2 Allocation of 2015 Revenue Deficiency

Hydro's revised 2015 Test Year revenue requirement for use in the calculation of the 2015 revenue deficiency reflects the Board's decisions in the GRA Compliance Order.

Table 4 provides a summary by customer group of the 2015 Test Year revenues under rates in effect for 2015 compared to the revised 2015 Test Year Cost of Service for use in determining revenue deficiency.

Table 4
2015 Revenues vs. Costs ($000s)

	2015 Revenues[13]	2015 TY Costs[14]	Difference	Revenue to Cost Ratio
Newfoundland Power	429,323	363,665	65,658	1.18
Island Industrial Customers	32,182	32,571	(389)	0.99
Labrador Interconnected	20,093	17,528	2,565	1.15
Other Hydro Rural[15]	60,879	119,232	(58,353)	0.51
Labrador Industrial Transmission	5,411	5,078	333	1.07
Total	**547,888**	**538,074**	**9,814**	**1.02**

Table 5 provides an allocation of the Rural Deficit based on the approved Rural Deficit allocation methodology in the GRA Order.

Table 5
2015 Rural Deficit Allocation ($000s)

[13] Exhibit 7, 2015 Test Year Cost of Service for 2015 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 2.
[14] Exhibit 7, 2015 Test Year Cost of Service for 2015 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 3.
[15] Includes the effects of CFB Goose Bay Secondary, for which the 2015 revenue credit of $912,600 is used to reduce the Rural Deficit.

	2015 TY Costs Excl. Deficit	Rural Deficit Allocation	Total 2015 TY Costs Incl. Deficit	Revenue to Cost Ratio
Newfoundland Power	363,665	55,670	419,335	1.15
Labrador Interconnected	17,528	2,683	20,211	1.15
Total	**381,193**	**58,353**[16]	**439,546**	

Table 6 provides a calculation of the 2015 revenue deficiency to be recovered from each of Newfoundland Power and the Island Industrial Customers. Revenue deficiency equals the difference between 2015 revenues from rates and the revenue requirement for determining the 2015 revenue deficiency.

Table 6
2015 Revenue Deficiency ($000s)

	2015 Revenues	2015 TY Costs Revenue Deficiency	Difference
Newfoundland Power	429,323	419,335	9,988
Island Industrial Customers	32,182	32,571	(389)
Labrador Int. - Hydro Rural	20,093	20,211	(118)
Labrador Industrial Transmission	5,411	5,078	333

The review of the revenues from interim rates based on the 2015 Test Year load compared to the revised 2015 Test Year Cost of Service Study for determining revenue deficiency show revenues in excess of allocated costs of approximately $10.0 million from Newfoundland Power and $0.3 million from Labrador Industrial Transmission customers.[17] Table 6 also shows a

[16] Exhibit 7 - 2015 Test Year Cost of Service for Revenue Deficiency, Schedule 1.2, page 1 of 6, column 5, line 14.This amount includes the revenue credit from CFB Secondary Sales.

[17] Revenues and costs for the Labrador Industrial Transmission Customers include a portion charged through the demand charge approved by the Board and the generation costs allocated for recovery from the Labrador Industrial Transmission Customers. The revenue deficiency only relates to the demand costs recovered through the Labrador Industrial Transmission demand charge.

revenue deficiency in 2015 of $0.4 million from Island Industrial Customers and $0.1 million for Labrador Interconnected Customers.

2.3.3 Allocation of 2016 Revenue Deficiency

Hydro's 2015 Test Year revenue requirement for use in the calculation of the 2016 revenue deficiency reflects the Board's decisions in the GRA Compliance Order. This amount has not changed from that which was filed in the GRA Compliance Application.

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

Table 7
2016 Revenues vs. 2015 TY Costs ($000s)
Based on 2015 TY Load Forecast

	2016 Revenues[18]	2015 TY Costs[19]	Difference	Revenue to Cost Ratio
Newfoundland Power	448,560	367,659	80,901	1.22
Island Industrial Customers	34,892	32,817	2,075	1.06
Labrador Interconnected	20,093	17,651	2,442	1.14
Other Hydro Rural[20]	68,217	119,881	(51,664)	0.57
Labrador Industrial Transmission	5,410	5,231	179	1.03
Total	**577,172**	**543,239**	**33,933**	**1.06**

Table 8 provides a comparison of 2016 revenues from interim rates and 2015 Test Year costs, including allocation of the Rural Deficit.

Table 8
2016 Revenues vs. 2015 TY Cost ($000s)
(Based on 2015 TY Load)

	2016 Revenues	2015 TY Costs	Excess
Newfoundland Power	448,560	416,956	31,604
Island Industrial Customers	34,892	32,817	2,075
Labrador Int. Hydro Rural	20,093	20,018	75
Labrador Industrial Transmission	5,410	5,231	179

Table 8 shows the revenues from interim base rates for Newfoundland Power exceeded allocated costs by $31.6 million in 2016. Table 11 also shows the revenues from interim base rates for Island Industrial Customers exceeded allocated costs by $2.1 million in 2016. Revenues

[18] Exhibit 7, 2015 Test Year Cost of Service for 2016 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 2.
[19] Exhibit 7, 2015 Test Year Cost of Service for 2016 Revenue Deficiency, Schedule 1.2, page 1 of 6, Column 3.
[20] Includes the effects of CFB Goose Bay Secondary for which the 2015 revenue credit of $912,600 is used to reduce the Rural Deficit.

from rates for Labrador Interconnected Hydro Rural customers exceeded costs by $0.1 million and revenues from Labrador Industrial Transmission customers exceeded costs by $0.2 million.

2.3.5 Allocation of 2017 Revenue Deficiency

Hydro's proposed final customer rates are anticipated to be in effect July 1, 2017. On approval of new rates in 2017, the RSP will be updated to reflect the 2015 Test Year values, including the $64.41 per barrel No. 6 Test Year fuel price for all of 2017. Therefore, the assessment of 2017 revenue deficiency must be computed comparing revenues at interim rates against revenue requirement for rate setting using the 2015 Test Year fuel price of $64.41.

To determine the revenue deficiency for the first 6 months in 2017, Hydro compared the forecast revenues for the first six months by applying both the proposed base rates in the Compliance Rates Application (excluding adjustments for revenue deficiency) and the existing rates which will remain in effect for the first six months of 2017.

Table 9 provides an estimate of the revenue deficiency by class for the first six months of 2017.

Table 9
2017 Revenue Deficiency Summary ($000s)

	Interim Base Rate Revenues at 2015 TY Load	Compliance Base Rate Revenues at 2015 TY Load	2017 Revenue Deficiency (Sufficiency)
Newfoundland Power	259,734	260,538	804
Island Industrial Customers	16,972	16,951	(20)
Labrador Int. Hydro Rural	11,596	11,627	31
Labrador Industrial Transmission	2,025	1,928	(97)

3.0 Summary of Revenue Deficiencies

Table 10 provides a summary of the revenue deficiencies for 2014, 2015, 2016, and 2017.

Table 10
Summary of Revenue Deficiencies for Setting Customer Rates ($000s)

	2014	2015	2016	2017	Total
Newfoundland Power	35,015	(9,988)	(31,604)	804	**(5,773)**
Island Industrial Customers	3,233	389	(2,075)	(20)	**1,527**
Labrador Int. Hydro Rural	(541)	118	(75)	(31)	**(529)**
Labrador Industrial Transmission	0	(333)	(179)	(97)	**(609)**

The revenue deficiencies for setting customer rates included in Table 10 do not include the net impacts experienced by Hydro in 2015 and 2016 as a result of operation of the RSP using the 2007 Test Year inputs. They also do not include the recovery of the Island Interconnected energy supply costs deferred in accordance with the supply cost deferral accounts approved in the GRA Order.

As shown in Table 10, the billed base rate revenues to Newfoundland Power were in excess of the cumulative revenue deficiencies by $5.8 million. There were also $0.5 million excess revenues for Hydro Rural customers on the Labrador Interconnected System and $0.6 million for Labrador Industrial Transmission customers. There was a cumulative revenue deficiency of $1.5 million from Island Industrial Customers during the period of interim rates from 2014 to the end of June 2017.

4.0 Proposed Recovery of Revenue Deficiencies

4.1 Island Industrial Customers

The Board has established a separate process to determine the approach for recovery of the cumulative revenue deficiency of approximately $1.5 million from Island Industrial Customers.[21]

[21] Order No. P.U. 14(2017), page 17. On May 15, 2017, Corner Brook Pulp Paper, North Atlantic Refinery Limited (NARL) and Vale made a joint proposal with respect to a proposed approach to recovery of the GRA revenue

4.2 Newfoundland Power

Hydro proposes to deal with the cumulative effect of revenue deficiencies and excess revenues of the period 2014 to 2017 through adjustments to the RSP. The cumulative excess revenues for 2014 to 2016 of approximately $6.5 million would be credited to the RSP Current Plan balance effective January 1, 2017. The revenue deficiency for 2017 of approximately $0.8 million would be debited to the RSP Current Plan balance effective June 30, 2017.

4.3 Labrador Interconnected System

Hydro proposes to provide the excess revenues from Hydro Rural customers on the Labrador Interconnected System by applying a rate reduction which would effectively refund the excess revenues over a 30 month period (i.e., July 1, 2017 to December 31, 2019). For the Hydro Rural customers on the Labrador Interconnected System, this results in a 1.05% reduction in to the rates determined from the approved 2015 Test Year Cost of Service Study for rate setting.

Due to the relatively small number of Labrador Industrial Transmission customers, Hydro proposes to provide these customers a refund of approximately $0.6 million in the form of a credit to their bills in September 2017.

5.0 Conclusion

To permit Hydro to deal with forecast revenue deficiencies during the extended GRA process, the Board approved cost deferral accounts for 2014, 2015, and 2016. For 2014, the Board also approved the deferral of $9.7 million of additional capacity related supply costs incurred by Hydro in the first quarter of 2014.[22] Table 11 provides a comparison of the approved cost deferrals with the contributors to revenue deficiencies in each year.

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deficiency from Island Industrial Customers. Hydro replied on May 16, 2017 and advised the Board that it does not object to the proposal to utilize the credit balance in the RSP Load Variation Component to provide compensation of $174,000 to NARL and to transfer approximately $1.6 million to eliminate the GRA Revenue Deficiency. This matter is currently before the Board.

[22] Order No. P.U.56(2014).

Table 11
Summary of Cost Deferrals and Revenue Deficiencies

Particulars ($000s)	2014	2015	2016	2017	Total
Approved Cost Deferrals	45,900	30,200	38,800	-	114,900
Approved Fuel Cost Deferral	9,650	-	-	-	9,650
Approved Cost Deferrals	**55,550**	**30,200**	**38,800**	**-**	**124,550**
Revenue Deficiency/(Excess Revenues)	37,707	(9,814)	(33,933)	656	(5,384)
RSP Balance Change in Test Years	-	37,473	38,969	-	76,442
Additional Energy Supply Costs	-	17,782	24,427	-	42,210
Net Revenue Deficiency/(Sufficiency)	**37,707**	**45,441**	**29,463**	**656**	**113,268**
Deferral Adjustment Required	**(17,843)**	**15,241**	**(9,337)**	**656**	**(11,282)**

Table 16 shows that for 2014, the Board approved $55.6 million in cost deferrals. Hydro's recoverable costs based on the GRA Order are $37.7 million (a $17.8 million reduction relative to the cost deferral).

For 2015, Hydro has not yet recovered the $37.5 million through the updating of the RSP to reflect the 2015 Test Year or the $17.8 million in additional supply costs. This will occur in 2017 with the updating of the RSP to reflect the 2015 Test Year and through the filing of an additional application by Hydro to recover of the balances in the approved supply cost variance accounts. These cost items are offset by $9.8 million in excess billing revenues in 2015. The combined impact of these items is that Hydro's total revenue deficiency for 2015 was $45.4 million, which is $15.2 million in excess of the approved 2015 revenue deficiency deferral.

For 2016, Hydro has not yet recovered the $39.0 million through the updating of the RSP to reflect the 2015 Test Year or the $24.4 million in additional supply costs. This will occur in 2017 with the updating of the RSP to reflect the 2015 Test Year and through the filing of an additional application by Hydro to recover the balances in the approved supply cost variance accounts. These cost items are offset by $33.9 million in excess billing revenues in 2016. The combined impact of these items is that Hydro's total 2016 revenue deficiency was $29.5 million, or $9.3 million less than the approved deferral.

For 2017, the delay in implementation of customer rates until July 1, 2017 results in a revenue deficiency of $0.7 million.

The total of the cost deferrals approved for 2014 to 2016 was $124.6 million while the cumulative total of the revenue deficiencies was $113.3 million. Subsequent to the approval of the Energy Supply Cost Variance account definition provided in Exhibit 5, Hydro will file an application to for the recovery of the $42.2 million balance owed from customers.[23] Following recovery of the revenue deficiencies in 2017 with the updating of the RSP to reflect the 2015 Test Year and subsequent to a Board decision on an application to be filed by Hydro for recovery of the supply cost deferrals for 2015 and 2016, Hydro will close the revenue deficiency deferral accounts.

[23] Reflects actual deferred energy supply costs for 2015 and 2016. $38.8 million approved deferral was based on 2016 forecast.

Compliance Rates Application - Exhibit 4

Customer Rates Report

May 2017

A Report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro
a nalcor energy company

Table of Content

1.0 Introduction

Hydro's 2015 Test Year revenue requirement for rate-setting reflecting the Board's findings in in Order No. P.U. 49(2016) (GRA Order) was provided in Exhibit 2 to the GRA Compliance Application filed on January 27, 2017. In Order No P.U. 14(2017) (GRA Compliance Order), the Board did not require Hydro to revise the proposed 2015 Test Year revenue requirement for rate setting.

Hydro's GRA Compliance filing proposed new customer rates effective April 1, 2017. In the GRA Compliance Order, the Board directed Hydro to revise its rate proposals to reflect a July 1, 2017 implementation date, to coincide with the annual update to the Utility Rate in compliance with the rules of the Rate Stabilization Plan (RSP).

This report provides:

- The approach followed by Hydro in computing proposed customer rates;
- The proposed RSP Adjustments to become effective July 1, 2017;
- The proposed Conservation and Demand Management (CDM) Recovery Adjustments to become effective July 1, 2017;
- A comparison of the existing and proposed customer rates including the estimated customer billing impacts from implementation of the proposed customer rates; and
- A reconciliation of revenues from proposed customer base rates to the revised 2015 Test Year revenue requirement for rate-setting.

2.0 Rate Design

2.1 General

The proposed rates reflect the approved rate designs from the GRA Order consistent with Hydro's GRA Compliance filing. The proposed customer rates for Newfoundland Power and Island Industrial Customers reflect a new RSP fuel rider, RSP Recovery Adjustment and a new CDM Recovery Adjustment to become effective July 1, 2017.

2.2 Cost of Service Study

The delayed implementation of GRA rates until July 1 does not change the 2015 Test Year Revenue Requirement for rate setting. However, the revised implementation date impacts forecast Test Year revenues from Hydro Rural customers which in turn impacts the rural deficit and the allocated revenue requirement to Newfoundland Power and the Hydro Rural customers on the Labrador Interconnected System. As a result, Hydro was required to update the 2015 Test Year Cost of Service Study to reflect these changes.

Hydro has used the interim Hydro Rural Rates approved July 1, 2015 as base rates for purposes of determining the Rural Deficit in the 2015 Cost of Service Study for rate setting. Any revisions to Hydro Rural revenues that result from rate changes since that time will flow though the RSP via the Rural Rate Alteration (RRA).[1] This approach does not negatively impact Newfoundland Power and its customers.

Exhibit 8 to this Compliance Rates Application provides Hydro's revised 2015 Test Year Cost of Service Study for rate setting purposes.

2.3 RSP Fuel Rider

Section C of the RSP rules includes a provision that requires that Hydro, by the 10th working day of April each year, report its RSP Fuel Price Projection for Newfoundland Power to the Board, Newfoundland Power and the Island Industrial Customers. The RSP Fuel Price Projection is used to determine a fuel rider to be included in the Utility Rate charged to Newfoundland Power effective July 1 each year.

[1] The inclusion of RSP adjustments would result in revenues for the first 6 months of the 2015 Test Year on one set of rates and the revenues for the second 6 months of the 2015 Test Year based on a second set of rates. This would add complexity in determining revenue from Hydro Rural rates and require a reversal of RRA that was in effect for the first 6 months of 2017. In July 2016, Island Interconnected retail rates reduced by 7.1% and the Island Interconnected retail rates are projected to increase by 8.5% in July 2017. Therefore, the July 1, 2015 rates are very similar to the retail rates that will result from the implementation of new customer rates effective July 1, 2017.

Section D of the RSP rules requires that 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 must be included in the rates charged to both Newfoundland Power and the Island Industrial Customers at the time of implementation of new base rates. The new fuel rider must reflect the current fuel forecast and the new Test Year values.

The Board approved the use of a $64.41 per barrel fuel cost ($Can) for the 2015 Test Year based on a 2016 fuel price forecast which was filed on October 28, 2015. The fuel riders proposed in Hydro's GRA Compliance Application filed in January 2017 were based on the September 2016 fuel price forecast for the 2017 calendar year of $68.50 per barrel.[2] The forecast average No. 6 fuel price for the period July 2017 to June 2018 is $81.40 per barrel ($Can).[3] This forecasted fuel price reflects an increase of $16.99 per barrel ($Can) from the approved 2015 Test Year fuel cost and is reflected in the calculation of the fuel riders provided in Appendix A of this report.

As shown in Appendix A to this report, the proposed fuel rider for Newfoundland Power is 0.672¢/kWh and the proposed fuel rider for the Island Industrial Customers is 0.625¢/kWh. Hydro has used these fuel riders in its proposed July 1, 2017 rate schedules.

2.4 RSP Recovery Adjustment

Section D of the proposed RSP Rules approved in the GRA Compliance Order requires Hydro to calculate a new RSP Recovery Adjustment for Island Industrial Customers on January 1 of each year based on the RSP Current Plan balance as at December 31 of the previous year. This provision was suspended by the Board.

The RSP Recovery Adjustment for Newfoundland Power is updated annually each July 1 based on the March 31 Current Plan balance. Based on the normal operation of the RSP for 2017,

[2] All fuel cost projections are in Canadian dollars.

[3] The fuel price forecast of $81.40 per barrel reflect the $U.S. to $Can. exchange rate approved in the GRA Compliance Order. The proposed fuel riders to become effective July 1, 2017 use a U.S. to Canada exchange rate of 1.3388 from the month of March, 2017.

there would be a very large rate increase for retail customers on July 1, estimated to be more than 18%. In Order No P.U. 16(2017), the Board directed Hydro to transfer the Newfoundland Power RSP Load Variation balance to the Newfoundland Power RSP Current Plan to mitigate the proposed July 1, 2017 RSP Adjustment rate increase.

Order No. P.U. 16(2017) (the 2017 Newfoundland Power Rate Mitigation Order) requires Hydro set out the RSP Current Plan rate on the Utility Rate Sheet showing i) the RSP Current Plan rate, calculated in the ordinary course and ii) the RSP Current Plan mitigation rate. Appendix B to this report provides the calculation of the proposed RSP Recovery Adjustments for Newfoundland Power and the Island Industrial Customers. As shown in Appendix B, page 1 of 3, the RSP Recovery Adjustment for Newfoundland Power based on the normal operation of the RSP is (0.132)¢/kWh. As shown in Appendix C, page 2 of 3, the RSP Mitigation rate is (0.911)¢/kWh. The overall RSP Recovery Adjustment rate is (1.043)¢/kWh.

Hydro is proposing revised wording to Section B.4 of the RSP rules to provide flexibility in adjusting RSP Plan balances when directed by the Board. The proposed wording is provided in Exhibit 9. Further to Order No. P.U.54(2016), Hydro has proposed a revision to the RSP Rules to reflect the purchase premium included in its current No. 6 fuel purchase contract.[4]

Exhibit 6 to this Compliance Rates Application provides the RSP report for March 2017 showing the transfer of $50.3 million from the RSP Load Variation Component to the Newfoundland Power RSP Current Plan for use in rate mitigation.

The proposed RSP Recovery Adjustment for the Island Industrial Customers of is (0.373)¢ per kWh and was calculated based on the Island Industrial Customer RSP Current Plan balance at December 31, 2016. The approach is in accordance with the RSP rules.

[4] The proposed change varies slightly from its application of October 21, 2016. Specifically, for Newfoundland Power's fuel price projection "T" incorrectly stated "…for the following January to December." This has been corrected to state "…for the following July to June."

The proposed July 1, 2017 RSP adjustments also reflect the discontinuance of the RSP Surplus Adjustment rates that are currently in place as the Island Industrial Customer's RSP Balance has been fully refunded.[5]

2.5 Summary of RSP Adjustments Changes

Table 1 provides a comparison of the existing and proposed RSP adjustments for Newfoundland Power.

Table 1

RSP Adjustments – Newfoundland Power (¢ per kWh)

	Existing Rate	Proposed Rate	Change
Recovery Adjustment	(1.213)	(0.132)	1.081
Mitigation Adjustment	0	(0.911)	(0.911)
Fuel Rider	(0.023)	0.672	0.695
Total RSP Adjustment	**(1.236)**	**(0.371)**	**0.865**

The proposed RSP fuel rider reflects an increase of $16.99 per barrel relative to the approved 2015 Test Year fuel cost. The fuel rider for the previous year reflected the difference from the 2007 Test Year fuel cost of $55.45 per barrel and a forecast No. 6 fuel price of $54.60 per barrel. The fuel cost increase from the 2007 Test Year price of $55.45 per barrel to the 2015 Test Year fuel cost of $64.41 per barrel is reflected in the proposed base rates for Newfoundland Power and the Island Industrial customers.

Table 2 provides a comparison of the existing and proposed RSP adjustments for Island Industrial Customers.

[5] There is currently a debit balance owing from Island Industrial Customers related to overpayment of the Island Industrial Customers RSP Surplus balance. Hydro has proposed this balance be reflected in the calculation of the Current Plan RSP recovery adjustment to be implemented effective January 1, 2018.

Table 2: RSP Adjustments – Island Industrial Customers

	Existing	Proposed	Change
RSP Recovery Adjustment (¢ per kWh)	-	(0.373)	(0.373)
RSP Fuel Rider (¢ per kWh)	-	0.625	0.625
RSP Surplus Energy (¢ per kWh)	(0.294)	-	0.294
Total Class RSP Energy Adjustments (¢ per kWh)	**(0.294)**	**0.252**	**0.546**
Class RSP Surplus Demand Adjustment ($/kW)	**(1.52)**	**-**	**1.52**
Teck RSP Adjustment (¢ per kWh)	**(1.141)**	**-**	**1.141**

2.6 CDM Cost Recovery Adjustment

The Conservation and Demand Management (CDM) Cost Recovery schedule was approved for inclusion in the Schedule of Rates, Rules and Regulations in the GRA Order. The CDM Cost Recovery Adjustment provides the method of allocation and recovery of the CDM Cost Deferral Account balance, with rate adjustments to be implemented for Newfoundland Power and Island Industrial Customers each July 1.

Appendix C to this report provides a calculation of the CDM Cost Recovery adjustments for each of Newfoundland Power and the Island Industrial Customers.

3.0 Proposed Customer Rates

3.1 General

Exhibit 9 provides the revised Schedule of Rates, Rules and Regulations (including RSP Rules) reflecting the Board's decisions in the GRA Order, the GRA Compliance Order, and the 2017 Newfoundland Power Rate Mitigation Order. The rates have been revised from those filed in the Compliance filing in January as a result of the change in the implementation date from that proposed in the GRA Compliance filing as directed by the GRA Compliance Order. The CDM Cost Recovery Adjustment has been added to the proposed rate sheets for Newfoundland Power and the Island Industrial Customers.

Hydro has also revised the RSP Rules to permit the RSP transfer as directed by the Board in the 2017 Newfoundland Power Rate Mitigation Order.

The following section provides a summary of Hydro's proposed rates for customers.

3.2 Utility Rate

Table 3 provides a comparison of the existing and proposed Utility Rate including both the change in the base rates and the RSP adjustments.

Table 3: Utility Rate by Rate Component

	Existing Rate	**Proposed Rate**	**Change**
Monthly Demand Charge ($/kW)	4.32	4.75	0.43
Monthly Energy Charges (¢ per kWh)			
1st 250 GWh	3.506	2.226	(1.280)
Excess	9.509	10.422	0.913
Firming Up Charge	0.908	2.882	1.974
RSP Adjustments			
RSP – Recovery Adjustment	(1.213)	(0.132)	1.081
RSP – Mitigation Adjustment	0	(0.911)	(0.911)
RSP – Fuel Rider	(0.023)	0.672	0.695
Total RSP Adjustment	**(1.236)**	**(0.371)**	**0.865**
CDM Cost Recovery Adjustment	**0.000**	**0.019**	**0.019**
Generation Credit (kW)	**117,930**	**119,329**	**1,399**
Minimum Billing Demand (kW)	**1,063,824**	**1,247,569**	**183,475**

The proposed Utility rate is in compliance with the GRA Order, the GRA Compliance Order, and the 2017 Newfoundland Power Rate Mitigation Order. The annualized billing impact of implementing the proposed Utility base rate and the revised RSP adjustments based on the

2015 Test Year load forecast is a 12.6% increase.[6] The end-consumer impact is estimated at an approximate 8.5% increase. The supporting calculations for the Newfoundland Power billing impacts are provided in Appendix D to this report.

3.3 Island Industrial Customers

The proposed rates for Island industrial Customers provided in Exhibit 9 have discontinued the RSP Surplus demand and energy adjustments, introduced a RSP adjustment to reflect the current plan balance at December 31, 2016, and included a new fuel rider to reflect the difference between the 2015 Test Year No.6 fuel price of $64.41 per barrel and the forecast No. 6 fuel price for the period July 2017 to June 2018 of $81.40 per barrel.

Table 4 provides a comparison of the existing and proposed Island Industrial Customers rates including the change in the base rates and the RSP adjustments.[7]

Table 4: Island Industrial Rate by Rate Component

	Existing Rate	**Proposed Rate**	**Change**
Monthly Demand Charge ($/kW)	8.38	7.99	(0.39)
RSP Surplus Demand Credit ($/kW)	(1.52)	0.00	1.52
Net Demand Charge ($/kW)	**6.86**	**7.99**	**1.13**
Monthly Energy Charges (¢ per kWh)	4.069	3.971	(0.098)
RSP Adjustments			
RSP - Fuel Rider	0.000	0.625	0.625
RSP – Recovery Adjustment (normal)	0.000	(0.373)	(0.373)
RSP Surplus Energy Credit	(0.294)	0.000	0.294
Total Class RSP Adjustment (¢ per kWh)	**(0.294)**	**0.252**	**0.546**
Teck RSP Adjustment	**(1.141)**	**0.000**	**1.141**
CDM Cost Recovery Adjustment	**0.000**	**0.009**	**0.009**

[6] The proposed base rate change for Newfoundland Power is a decrease of 1.2%. The inclusion of the revised RSP adjustments results in the rate increase.

[7] Options to potentially mitigate the rate impacts to Island Industrial Customers are being considered separately by the Board. Hydro is currently reviewing the proposal put forth by the Island Industrial Customers on May 17, 2017, and will file a response no later than Wednesday, May 24, 2017.

The annualized billing impact of implementing the proposed Industrial Customer rate provided in Table 2 based on the 2015 Test Year load forecast is an average 16.8% increase.[8]

Table 5 provides the projected customer rate impacts for the Island Industrial Customers.

Table 5

Projected Island Industrial Customer Rate Impacts, July 1, 2017

Customer	**Rate Impact**
CBPP	30.6%
NARL	12.3%
Vale	16.6%
Praxair	13.0%
Teck Resources	38.2%
Total Class	**16.8%**

The supporting calculations for the Island Industrial Customer billing impacts reflecting the RSP Adjustments reflecting the current RSP rules are provided in Appendix E to this report.

3.4 Hydro Rural Customers

3.4.1 Island Interconnected and L'Anse Au Loup

The proposed rate change for the Hydro Rural Island Interconnected customers and customers in L'Anse au Loup equal the proposed rate increase of 8.5% to the customers of Newfoundland Power.

3.4.2 Hydro Rural Non-Government Diesel System Customers

The GRA Order approved higher than the average increases for Hydro Rural non-Government Domestic and General Service customers on Isolated Systems than the rate change proposed for the Hydro Rural Interconnected customers. These higher than average increases result from

[8] The addition of the CDM Recovery Adjustment results in a 0.2% average increase for Island Industrial Customers.

the combined impact of i) the 2015 Test Year forecast change of 8.5% in rates for Island Interconnected customers, and ii) the increase in rates to implement the 2007 rate change that was deferred as a result of Government directives.[9]

3.4.3 Hydro Rural Government Diesel System Customers

Hydro has also proposed full cost recovery rates for Government customers on Isolated Diesel systems consistent with past practice and approved in the GRA Order. The proposed Government diesel system rates are consistent with those provided in Exhibit 14 of the GRA Compliance Application.

3.4.4 Labrador Interconnected System - Hydro Rural Customers

The rate change for Hydro Rural customers on the Labrador Interconnected System based on the 2015 Test Year Cost of Service Study for rate setting in an average increase of 0.15% applied equally to each rate class with the exception of Street and Area Lighting (15.3% increase) for an overall 0.4% increase. However, as explained in the Recovery of Revenue Deficiencies Report provided in Exhibit 3, Hydro had cumulative excess revenues from the Hydro Rural customers on the Labrador Interconnected System for the period 2014 to 2017.

To provide disposition of the excess revenues, Hydro is proposing to apply a 1.05% reduction to each of the rates derived to recover the approved 2015 Test Year Revenue Requirement for rate setting. The proposed approach results in disposition of the excess revenues over the 30 month period from July 1, 2017 to December 31, 2019.

The end result of the combined 0.4% increase in Test Year revenue requirement and a 1.05% decrease to provide the disposition of excess revenues is a proposed average overall decrease

[9] 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.

of 0.7% with a 0.9% decrease applied equally to each rate class with the exception of Street and Area Lighting (14.1% increase).[10]

3.4.5 Summary of Hydro Rural Customer Rate Impacts

Table 6 provides a summary of the proposed Hydro Rural customer impacts.

Table 6
Impact of Proposed Rate Change for Hydro Rural Customers – July 1, 2017

	Customer Rate Impact
Rural Island Interconnected & L'Anse au Loup	8.5%
Isolated Systems	
Domestic	13.0%
General Service – 2.1D 0-10 kW	24.3%
General Service – 2.2D 10 kW and Over	24.9%
General Service – Island Interconnected Rates	8.5%
Government Diesel	8.6%
Street and Area Lighting	8.5%
Isolated Systems Total	**15.1%**
Rural Labrador Interconnected	
Domestic and General Service	(0.9%)
Street and Area Lighting	14.1%
Labrador Interconnected Total	**(0.7%)**

Hydro has not filed the proposed rates for its Rural customers whose rates change based on the rates to be implemented for Newfoundland Power customers. Those rates will be filed for approval subsequent to Newfoundland Power filing its application to flow-through Hydro's rate

[10] This approach is consistent with the rate design proposals reflected in the Amended GRA and Exhibit 4 of the GRA Compliance Application.

change to its customers. Hydro has filed its proposed rates for customers on the Labrador Interconnected System and Government customers on Isolated Systems. Appendix F provides a comparison of existing and proposed rates for these customers.

3.5 Labrador Industrial Transmission Rate

Hydro updated it 2015 Test Year Cost of Service Study and derived a revised rate of $1.19 per kW of Billing Demand, to be applied on a prospective basis. The rate sheet provided in Exhibit 9 for the Labrador Industrial Transmission Rate states that the approved rate is available to existing customers only, as required by the GRA Order, and reflects the Billing Demand definition approved in Order No. P.U. 15(2016).

As explained in the Recovery of Revenue Deficiencies Report provided in Exhibit 3, Hydro had excess cumulative excess revenues of $609,000 from the Labrador Transmission Demand Customers for the period 2014 to 2017. To provide disposition of the excess revenues, Hydro is proposing to apply a credit to the customers' bills in September 2017. The credit is proposed to be allocated based on the proportion of the total billings from each customer for the period January 1, 2014 to June 30, 2017. Hydro is proposing the application of a credit for excess revenue disposition for this class as it administratively practical due to the small number of customers in the class.

3.6 Reconciliation of Rates and Cost of Service

Hydro's total revenues under the proposed rates reconcile to the revised 2015 Test Year Cost of Service Study for rate-setting purposes provided in Exhibit 8 with the exception of the proposed rate adjustment to deal with disposition of excess revenues for Hydro Rural Customers on the Labrador Interconnected System. Table 7 provides a comparison of revenues under existing and proposed customer base rates. The base rate revenues provided in Table 7 do not include charges for the proposed RSP adjustments as RSP billings do not provide revenues to Hydro. The figures in Table 7 also do not include the disposition of excess revenues to customers on the Labrador Interconnected System.

Table 7

Reconciliation of Total Base Rate Revenues and Cost of Service for Rate Setting

	Proposed
Newfoundland Power	$443,359,435
Island Industrial	$34,823,379
Labrador Industrial	
Transmission	$3,855,600
Generation Cost Recovery	$1,355,306
Total Labrador Industrial	$5,210,906
CFB Goose Bay Secondary	$932,221
Rural Island Interconnected	$48,698,726
Rural Isolated Systems	$9,425,141
L'Anse au Loup	$2,726,969
Rural Labrador Interconnected	
Domestic	$11,167,803
GS 2.1 0-10 kW	$410,789
GS 2.2 10-100 kW	$2,345,631
GS 2.3 110-1000 kVA	$3,075,654
GS 2.4 Over 1000 kVA	$2,810,272
Street & Area Lighting	$360,347
Total Rural Labrador Interconnected	$20,170,496
All Rural Systems Total	$81,021,332
Grand Total	**$565,347,273**
Per Cost of Service	**$565,347,273**[11]
Difference	**$0**

[11] Reconciliation to the 2015 Test Year Cost of Service, Sch 1.2, Page 1 of 6, Column 2, Line 15 as provided In Exhibit 8 to this Application.

4.0 Conclusion

The proposed Schedule of Rates, Rules and Regulations presented in Exhibit 9 to the Compliance Rates Application reflect the findings and determinations of the Board in the GRA Order, the GRA Compliance Order, and the 2017 Newfoundland Power Rate Mitigation Order.

Hydro proposes that the Rates, Rules and Regulations contained in Exhibit 9 to this Compliance Rates Application, the proposed RSP adjustments provided in Appendix A and B to this report, and the proposed CDM Cost Recovery Adjustments provided in Appendix C to this report become effective July 1, 2017.

Newfoundland and Labrador Hydro
Rate Stabilization Plan Fuel Price Projection Rider
Utility Customer

	Customer Allocation	**Amount**	**Comments**
1	March 2017 Fuel Price Projection	$ 81.40	From Page 3
2	2015 Test Year Fuel Forecast Cost	$ 64.41	
3	Forecast Fuel Price Variance	$ 16.99	Line 1 - Line 2
4	2015 Test Year No. 6 Barrels Consumed	2,577,657	
5	Forecast Fuel Variance	$ 43,794,392	Line 3 x Line 4
6	Utility Customer Allocation Ratio	90.85%	From Line 8
7	Utility Customer Allocation	$ 39,787,205	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**
	Fuel Rider		
12	Utility Allocation	$ 39,787,205	From Line 7
13	2015 Test Year Utility Sales Forecast	5,924,100,000	From Line 8
14	Fuel Projection Rider (cents per kWh)	**0.672**	Line 12/Line 13 x 1000

Newfoundland and Labrador Hydro
Rate Stabilization Plan Fuel Price Projection Rider
Industrial Customers

	Customer Allocation	**Amount**	**Comments**
1	March 2017 Fuel Price Projection	$ 81.40	From Page 3
2	2015 Test Year Fuel Forecast Cost	$ 64.41	
3	Forecast Fuel Price Variance	$ 16.99	Line 1 - Line 2
4	2015 Test Year No. 6 Barrels Consumed	2,577,657	
5	Forecast Fuel Variance	$ 43,794,392	Line 3 x Line 4
6	Industrial Customer Allocation Ratio	8.87%	From Line 9
7	Industrial Customer Allocation	$ 3,884,563	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**
	Rate Rider		
12	Industrial Allocation	$ 3,884,563	From Line 7
13	2015 Test Year Industrial Customer Sales Forecast	621,400,000	From Line 9
14	Fuel Projection Rider (cents per kWh)	**0.625**	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* *(a)*	***Premium / (Discount)*** *US $/bbl* *(b)*		***Landed Forecast Price*** *US $/bbl* *(c) = (a) + (b)*
2017	*July*	*51.35*	*3.23*		
	August	*52.22*	*3.23*		
	September	*52.63*	*3.23*		
	October	*55.18*	*5.03*	*(3)*	
	November	*57.46*	*5.03*		
	December	*57.91*	*5.03*		
2018	*January*	*58.75*	*5.03*		
	February	*60.58*	*5.03*		
	March	*57.24*	*5.03*		
	April	*56.33*	*5.03*		
	May	*56.62*	*5.03*		
	June	*58.22*	*5.03*		
Average Holyrood Forecast Landed Price $US/bbl)		*56.21*	*4.58*		*60.79*
$Cdn/$US Noon Exchange Rate [(4)]					*1.3388*
NLH Fuel Price Projection ($Cdn/bbl) [(2)]					*$81.40*

Notes:

(1) *$US pricing: New York Harbour price forecast, March 2017.*
(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 March 2017, rounded to 4 decimal places.*

Newfoundland and Labrador Hydro
Rate Stabilization Plan Recovery Adjustment – No Mitigation
Newfoundland Power

Line No	Calculation of Newfoundland RSP Rate		Amount	Comments
	Current Plan			
1	March Balance (Before Mitigation Transfer of $50,737,099)	$	(22,706,380)	March RSP
2	Forecast Financing Costs	$	(549,037)	From Line 23
3	Forecast Recovery to June 30	$	15,530,597	Lines 8 to 10
4	Total to be recovered	$	(7,724,820)	Lines 1 to 3
5	12 months to date (Apr 2016-Mar 2017) Newfoundland Power Sales		5,868,946,088	From Line 8
6	**Normal RSP Recovery Adjustment rate (¢ per kWh)**		**(0.132)**	Line 4/Line 5 x 1000

Newfoundland Power Forecast Financing Charges
2016-2017

2015 Test Year Weighted Average Cost of Capit:	6.610%
Nominal Financing Rate	6.418%

Line No		Sales kWh		Financing Costs		Adjustment		Total To Date Balance
7	Balance Forward						$	(22,706,380)
8	April	520,761,236	$	(121,441)	$	6,316,834		(16,510,987)
9	May	412,499,270		(88,306)	$	5,003,616		(11,595,678)
10	June	347,085,498		(62,018)	$	4,210,147		(7,447,548)
11	July	314,644,032		(39,832)		415,330		(7,072,050)
12	August	302,974,620		(37,824)		399,926		(6,709,947)
13	September	327,366,899		(35,887)		432,124		(6,313,710)
14	October	417,952,992		(33,768)		551,698		(5,795,780)
15	November	463,553,443		(30,998)		611,891		(5,214,887)
16	December	701,229,630		(27,891)		925,623		(4,317,155)
17	January	724,216,282		(23,090)		955,965		(3,384,279)
18	February	661,481,509		(18,100)		873,156		(2,529,224)
19	March	675,180,677		(13,527)		891,238		(1,651,512)
20	April	520,761,236		(8,833)		687,405		(972,940)
21	May	412,499,270		(5,204)		544,499		(433,645)
22	June	347,085,498		(2,319)		458,153		22,189
23	Total		$	(549,037)	$	23,277,606		

Newfoundland and Labrador Hydro
Rate Stabilization Plan Recovery Adjustment – With Mitigation
Newfoundland Power

Line No	Calculation of Newfoundland RSP Rate		Amount	Comments
	Current Plan			
1	March Balance (After Mitigation Transfer of $50,737,099)	$	(73,443,479)	March RSP
2	Forecast Financing Costs	$	(3,291,395)	From Line 23
3	Forecast Recovery to June 30	$	15,530,597	Lines 8 to 10
4	Total to be recovered	$	(61,204,277)	Lines 1 to 3
5	12 months to date (Apr 2016-Mar 2017) Newfoundland Power Sales		5,868,946,088	From Line 8
6	**Total RSP Recovery Adjustment rate (¢ per kWh)**		**(1.043)**	Line 4/Line 5 x 1000
	RSP Mitigation Adjustment rate (¢ per kWh) = (1.043) - (0.132)		**(0.911)**	

Newfoundland Power Forecast Financing Charges
2016-2017

2015 Test Year Weighted Average Cost of Capital per ar	6.610%
Nominal Financing Rate	6.418%

Line		Sales kWh		Financing Costs		Adjustment		Total To Date Balance
7	Balance Forward						$	(73,443,479)
8	April	520,761,236	$	(392,800)	$	6,316,834		(67,519,445)
9	May	412,499,270		(361,117)	$	5,003,616		(62,876,946)
10	June	347,085,498		(336,287)	$	4,210,147		(59,003,086)
11	July	314,644,032		(315,568)		3,281,737		(56,036,916)
12	August	302,974,620		(299,704)		3,160,025		(53,176,595)
13	September	327,366,899		(284,406)		3,414,437		(50,046,565)
14	October	417,952,992		(267,666)		4,359,250		(45,954,981)
15	November	463,553,443		(245,783)		4,834,862		(41,365,901)
16	December	701,229,630		(221,239)		7,313,825		(34,273,314)
17	January	724,216,282		(183,305)		7,553,576		(26,903,044)
18	February	661,481,509		(143,886)		6,899,252		(20,147,678)
19	March	675,180,677		(107,756)		7,042,134		(13,213,300)
20	April	520,761,236		(70,669)		5,431,540		(7,852,429)
21	May	412,499,270		(41,997)		4,302,367		(3,592,060)
22	June	347,085,498		(19,212)		3,620,102		8,831
23	Total		$	(3,291,395)	$	76,743,705		

Newfoundland and Labrador Hydro

Rate Stabilization Plan Recovery Adjustment
Industrial Customers

	Calculation of Industrial Customer RSP Rate		Amount	Comments
	Current Plan			
1	December Balance		$ (1,817,842)	December RSP 2016 [1]
2	Adjustment		$ -	
3	December Balance		$ (1,817,842)	Line 1 minus Line 2
4	Forecast Financing Costs to December 31, 2017		$ (64,993)	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	505,383,547	December RSP 2016
7	**RSP Recovery Adjustment rate (¢ per kWh)**		**(0.373)**	Line 5/Line 6*1000

Industrial Customer Forecast Financing Charges
2016

2015 Test Year Weighted Average Cost of Capital per annum	6.610%
Nominal Financing Rate	6.418%

		Sales kWh	Financing Costs	Adjustment	Total 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	505,383,547	(64,993)	1,885,081	

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

Newfoundland and Labrador Hydro
Conservation and Demand Management Cost Recovery Adjustment
Island Industrial Customers

Line	A) Island Interconnected Recoverable Allocation	2016 Energy Sales (kWh)	Percent of Total kWh	Allocation of Recoverable Amount ($000)	
3	Newfoundland Power	5,844,734,737	85.62%	3,874	
4	Island Industrial Firm	505,383,550	7.40%	335	
5	Rural Island Interconnected	476,456,642	6.98%	316	
6	Total	6,826,574,929	100%	4,525	From Page 3, Line 3
7					
8					

Line	B) Calculation of Island Industrial Customers' 2017 CDM Recovery Adjustment		
10	Island Industrial Current Year Allocation ($000)	48	(Line 4 / 7 years)
11	2016 Enery Sales - Island Industrial Customers (kWh)	505,383,550	From Line 4
12	CDM Cost Recovery Adjustment (cents per kWh)	**0.009**	(Line 10 x 1000) / Line 11

Newfoundland and Labrador Hydro
Conservation and Demand Management Cost Recovery Adjustment
Newfoundland Power

Line			
1	**A) Newfoundland Power's Allocation of CDM Cost Deferral Account Balance**		
2	*Newfoundland Power's Allocation of Rural CDM Balance*		
3	Rural Island Interconnected's Allocation ($000)	316	From Page 1, Line 5
4	Rural Isolated System's Recoverable Amount ($000)	3,846	From Page 3, Line 4
5	Total Rural CDM	4,162	Line 3 + Line 4
6	Newfoundland Power's Allocation (%) of Rural CDM Balance[1]	x 95.6%	
7	Newfoundland Power's Allocation of Rural CDM Balance	3,979	Line 5 x Line 6
8			
9	Newfoundland Power's Direct Allocation of Island Int. CDM Balance ($000)	3,874	From Page 1, Line 4
10			
11	Total Newfoundland Power Allocation of CDM Account Balance ($000)	7,853	Line 7 + Line 9
12			
13	**B) Calculation of Newfoundland Power's 2017 CDM Recovery Adjustment**		
14	Newfoundland Power's Current Year Allocation ($000)	1,122	Line 11 / 7 years
15	2016 Enery Sales - Newfoundland Power (kWh)	5,844,734,737	From Page 1, Line 3
16	CDM Cost Recovery Adjustment (cents per kWh)	**0.019**	(Line 14 x 1000) / Line 15
17			

18 [1] Based on Rural Deficit Allocation between Newfoundland Power and Rural Labrador Interconnected customers in the 2015 Test Year Cost of Service Study.

Newfoundland and Labrador Hydro
Conservation and Demand Management Cost Recovery Adjustment

Conservation and Demand Management Account Activity ($000s)[1]									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Total**
Island Interconnected	167	415	474	433	463	1,717	358	497	**4,525**
Hydro Rural Isolated	-	-	-	951	986	712	543	654	**3,846**
Total	**167**	**415**	**474**	**1,384**	**1,449**	**2,429**	**901**	**1,152**	**8,371**

[1] Balances calculated in accordance with the Conservation and Demand Management Cost Deferral Account.

Newfoundland and Labrador Hydro
Calculation of Customer Billing Impact
Newfoundland Power

							Percent Increase	
	2015 TY Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Utility	Consumer
Demand (kWs)	15,122,052	$/kW/mo	4.32	65,327,265	4.75	71,829,747		
Energy (MWhs)	3,000,000	¢/kWh	3.506	105,180,000	2.226	66,780,000		
Energy (MWhs)	2,924,100	¢/kWh	9.509	278,052,669	10.422	304,749,702		
				448,559,934		443,359,449	-1.2%	
RSP Recovery Adjustment-Normal	5,924,100	¢/kWh	(1.213)	(71,859,333)	(0.132)	(7,819,812)		
RSP Mitigation impact	5,924,100	¢/kWh	0.000	-	(0.911)	(53,968,551)		
RSP Total Recovery Adjustment	5,924,100	¢/kWh	(1.213)	(71,859,333)	(1.043)	(61,788,363)		
RSP Fuel Rider	5,924,100	¢/kWh	(0.023)	(1,362,543)	0.672	39,809,952		
CDM Recovery Adjustment	5,924,100	¢/kWh	0.000	-	0.019	1,125,579		
Total Riders			(1.236)	(73,221,876)	(0.352)	(20,852,832)		
Total				**375,338,058**		**422,506,617**	**12.6%**	**8.5%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

Total Island Industrial Customers

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs Existing
Demand (kWs)	1,064,800	$/kW/mo	8.38	8,923,024	7.99	8,507,752	
Energy (MWhs)	621,400	¢/kWh	4.069	25,284,766	3.97	24,675,794	
Spec. Assigned		$	684,312	684,312	1,639,833	1,639,833	
				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	-	-	0.625	3,883,750	
RSP: Teck Rate	20,400	¢/kWh	(1.141)	(232,764)	-	-	
RSP: IC Surplus Credit (Demand)	1,064,800	$/kW	(1.52)	(1,618,496)	-	-	
RSP: IC Surplus Credit (Energy)	621,400	¢/kWh	(0.294)	(1,826,916)	-	-	
Total RSP				(3,678,176)		1,565,928	
CDM Recovery Adjustment	621,400	¢/kWh	-	-	0.009	55,926	
Firm plus RSP				**31,213,926**		**36,445,233**	**16.8%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

Praxair

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs Existing
Demand (kWs)	72,000	$/kW/mo	8.38	603,360	7.99	575,280	
Energy (MWhs)	51,600	¢/kWh	4.069	2,099,604	3.971	2,049,036	
Spec. Assigned		$		-		-	
				2,702,964		2,624,316	-2.9%
RSP: Current Plan	51,600	¢/kWh	-	-	(0.373)	(192,468)	
RSP: Fuel Rider	51,600	¢/kWh	-	-	0.625	322,500	
RSP: IC Surplus Credit (Demand)	72,000	$/kW	(1.52)	(109,440)	-	-	
RSP: IC Surplus Credit (Energy)	51,600	¢/kWh	(0.294)	(151,704)	-	-	
Total RSP				(261,144)		130,032	
CDM Recovery Adjustment	51,600	¢/kWh	-	-	0.009	4,644	
Firm plus RSP				**2,441,820**		**2,758,992**	**13.0%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

Vale

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs Existing
Demand (kWs)	488,800	$/kW/mo	8.38	4,096,144	7.99	3,905,512	
Energy (MWhs)	280,800	¢/kWh	4.069	11,425,752	3.971	11,150,568	
Spec. Assigned		$		-	480,243	480,243	
				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	-	-	0.625	1,755,000	
RSP: IC Surplus Credit (Demand)	488,800	$/kW	(1.52)	(742,976)	-	-	
RSP: IC Surplus Credit (Energy)	280,800	¢/kWh	(0.294)	(825,552)	-	-	
Total RSP				(1,568,528)		707,616	
CDM Recovery Adjustment	280,800	¢/kWh	-	-	0.009	25,272	
Firm plus RSP				**13,953,368**		**16,269,211**	**16.6%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

CBPP

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs Existing
Demand (kWs)	108,000	$/kW/mo	8.38	905,040	7.99	862,920	
Energy (MWhs)	44,800	¢/kWh	4.069	1,822,912	3.971	1,779,008	
Spec. Assigned		$	347,167	347,167	870,898	870,898	
				3,075,119		3,512,826	14.2%
RSP: Current Plan	44,800	¢/kWh	-	-	(0.373)	(167,104)	
RSP: Fuel Rider	44,800	¢/kWh	-	-	0.625	280,000	
RSP: IC Surplus Credit (Demand)	108,000	$/kW	(1.52)	(164,160)	-	-	
RSP: IC Surplus Credit (Energy)	44,800	¢/kWh	(0.294)	(131,712)	-	-	
Total RSP				(295,872)		112,896	
CDM Recovery Adjustment	44,800	¢/kWh	-	-	0.009	4,032	
Firm plus RSP				**2,779,247**		**3,629,754**	**30.6%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

NARL

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs Existing
Demand (kWs)	354,000	$/kW/mo	8.38	2,966,520	7.99	2,828,460	
Energy (MWhs)	223,800	¢/kWh	4.069	9,106,422	3.971	8,887,098	
Spec. Assigned		$	150,976	150,976	89,293	89,293	
				12,223,918		11,804,851	-3.4%
RSP: Current Plan	223,800	¢/kWh	-	-	(0.373)	(834,774)	
RSP: Fuel Rider	223,800	¢/kWh	-	-	0.625	1,398,750	
RSP: IC Surplus Credit (Demand)	354,000	$/kW	(1.52)	(538,080)	-	-	
RSP: IC Surplus Credit (Energy)	223,800	¢/kWh	(0.294)	(657,972)	-	-	
Total RSP				(1,196,052)		563,976	
CDM Recovery Adjustment	223,800	¢/kWh	-	-	0.009	20,142	
Firm plus RSP				**11,027,866**		**12,388,969**	**12.3%**

Newfoundland and Labrador Hydro
Island Industrial Customer Rate Impact

Teck

	2015 Test Year Billing Units	Unit	Existing	$	July 1, 2017 Forecast	$	Percent Change vs 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	
Spec. Assigned		$	186,169	186,169	199,399	199,399	
				1,368,205		1,345,063	-1.7%
RSP: Current Plan	20,400	¢/kWh	-	-	(0.373)	(76,092)	
RSP: Fuel Rider	20,400	¢/kWh	-	-	0.625	127,500	
RSP: Teck Rate	20,400	¢/kWh	(1.14)	(232,764)	-	-	
RSP: IC Surplus Credit (Demand)	42,000	$/kW	(1.52)	(63,840)	-	-	
RSP: IC Surplus Credit (Energy)	20,400	¢/kWh	(0.294)	(59,976)	-	-	
Total RSP				(356,580)		51,408	
CDM Recovery Adjustment	20,400	¢/kWh	-	-	0.009	1,836	
Firm plus RSP				**1,011,625**		**1,398,307**	**38.2%**

Newfoundland and Labrador Hydro
Labrador Interconnected

	Current Rate	Cost of Service Base Rate	Proposed Rate *w/ Adjustment for Excess Earnings*
Rate 1.2 Domestic			
Basic Customer Charge (per month)	$7.15	$7.16	$7.08
Energy (cents per kWh)	3.280	3.285	3.251
Rate 2.1 General Service (0-10 kW)			
Basic Customer Charge (per month)			
Unmetered (per month)	N/A	$6.47	$6.40
Single Phase (per month)	$10.45	$10.47	$10.36
Three Phase (per month)	N/A	$16.47	$16.30
Energy (cents per kWh)	5.240	5.140	5.086
Rate 2.2 General Service (10-100 kW)			
Basic Customer Charge (per month)			
Unmetered (per month)	N/A	$6.47	$6.40
Single Phase (per month)	N/A	$10.47	$10.36
Three Phase (per month)	N/A	$16.47	$16.30
Demand (dollars per kW)	$2.20	$1.78	$1.76
Energy (cents per kWh)	2.433	2.440	2.414
Rate 2.3 General Service (110-1000 kVA)			
Demand (dollars per kVA)	$2.00	$1.99	$1.97
Energy (cents per kWh)	2.103	2.110	2.088
Rate 2.4 General Service (Over 1000 kVA)			
Demand (dollars per kVA)	$1.75	$1.73	$1.71
Energy (cents per kWh)	1.733	1.740	1.723
Street and Area Lighting 4.1L			
Mercury Vapour			
250 W (9,400 lumens)	$13.50	$15.57	$15.41
High Pressure Sodium			
100W (8,600 lumens)	$10.00	$11.53	$11.41
150W (14,400 lumens)	$13.50	$15.57	$15.41
250W (23,200 lumens)	$17.80	$20.53	$20.31
400W (45,000 lumens)	$23.00	$26.52	$26.25
Wood Pole	$3.40	$3.92	$3.88
Street and Area Lighting 4.12L			
High Pressure Sodium			
100 W (8,600 lumens)	$4.10	$4.73	$4.68

Newfoundland and Labrador Hydro
Diesel - Government Departments

	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

Compliance Rates Applications - Exhibit 5

Revised Deferral Account Report

May 2017

A Report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro
a nalcor energy company

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1.0 Background

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

- the Isolated Systems Supply Cost Variance Deferral Account;
- the Energy Supply Cost Variance Deferral Account;
- the Conservation and Demand Management Cost Deferral Account; and
- the Holyrood Conversion Rate Deferral Account.

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

2.0 Isolated Systems Supply Cost Variance Deferral Account

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

[1] Order No. P.U. 49(2016), page 137.

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

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

As noted in Hydro's 2016 Cost Deferral Application[4], the forecast balance in this account is expected to be $0.0 million and $2.1 million payable to customers for 2015 and 2016, respectively. Hydro will file a separate application for disposition of this balance once the Board issues its final approval of the revised proposed account language.

3.0 Energy Supply Cost Variance Deferral Account

As proposed in Hydro's Amended GRA, the Energy Supply Cost Variance Deferral Account (Energy Supply Deferral) will capture annual energy supply cost variations on the Island Interconnected System. The proposed account would apply to Hydro's own diesel and gas turbine generation, as well as power purchases from wind generation, Corner Brook Pulp and

[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).

Paper cogeneration, and hydraulic generation, but exclude energy supply costs or savings resulting from the variance in kWh based on the cost of generation at Holyrood Thermal Generating Station.

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

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

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

4.0 The Conservation and Demand Management Cost Deferral Account

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

[5] Ibid., page 119.

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

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

In the GRA Order, the Board determined that, consistent with the Settlement Agreements,[6] Hydro's proposal for the CDM Cost Recovery Deferral Account be approved effective January 1, 2016.[7] A revised account definition is located in Exhibit 5, Appendix C, which reflects the inclusion of 2015 CDM Costs previously approved by the Board for deferral in Order No. P.U. 36(2015), and proposed language regarding annual applications for recovery.

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

5.0 The Holyrood Conversion Rate Deferral Account

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

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

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

6.0 Updated Deferral Definitions

As per Order No. P.U.14(2017), Hydro has updated the deferral account definitions for the issues as noted by Grant Thornton in its Report on Hydro's Compliance Application dated March 15, 2017.

7.0 Conclusion

Hydro has revised the language to the definitions for the Isolated Systems Supply Cost Variance Deferral Account, the Energy Supply Cost Variance Deferral Account, the Conservation and Demand Management Cost Deferral Account, and the Holyrood Conversion Rate Deferral Account, as directed by the Board in the GRA Order. Hydro's proposed revised definitions are attached as 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 x (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 ±$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 [] 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 = (Actual Thermal Generation Cost – Test Year Thermal Generation Cost)

B = Test Year Power Purchase Variances resulting from volume;

Where:

B = (Actual kWh Purchases – Test Year kWh Purchases) x (Test Year Purchase Cost in $/kWh)

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

Where:

C = D/E x F

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

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

F = [(Test Year kWh Thermal Generation + Test Year kWh Power Purchases) - (Actual kWh Thermal Generation + Actual kWh Power Purchases)] for all defined sources.

The ***Cost Variance Threshold*** equals ±$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 ±$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.

Compliance Rates Application - Exhibit 6

RSP Reports

May 2017

A Report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

a nalcor energy company

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Exhibit 6 – RSP Reports

Rate Stabilization Plan
Plan Highlights
December 31, 2015
(2007 Test Year)

	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 3
No 6 fuel cost - Current month	$ 57.40	$ 58.98	$ (1.58)	$ 28,640,114	Page 4
Year-to-date customer load - Utility	6,072.1 GWh	4,925.8 GWh	1,146.3 GWh	$ (2,966,159)	Page 7
Year-to-date customer load - Industrial	498.0 GWh	894.3 GWh	-396.3 GWh	$ (19,336,644)	Page 9
				$ (25,580,756)	
Rural rates					
Rural Rate Alteration (RRA) [(1)]	$ (4,120,952)				
Less : RRA to utility customer	$ (3,671,767)				Page 8
RRA to Labrador interconnected	(449,185)				
Fuel variance to Labrador interconnected	$ 211,140				Page 5
Net Labrador interconnected	$ (238,045)				
Current plan summary					
One year recovery					
Due (to) from utility customer	$ (70,887,147)				Page 8
Due (to) from Industrial customers	$ 474,171				Page 10
Sub total	(70,412,976)				
Four year recovery					
Hydraulic balance	$ (56,457,529)				Page 3
Segregated Load Variation					Page 11
Utility Customer	$ (2,472,747)				
Industrial Customer	$ (58,724,691)				
Sub Total	$ (61,197,438)				
Utility RSP Surplus	$ (133,350,561)				Page 12
Industrial RSP Surplus	$ (3,129,977)				Page 13
Total plan balance	$ (324,548,481)				

[(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
Plan Highlights
December 31, 2015
(2015 Test Year)

	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 3
No 6 fuel cost - Current month	$ 57.40	$ 58.98	$ (1.58)	$ 28,640,114	Page 4
Year-to-date customer load - Utility	6,072.1 GWh	5,924.1 GWh	148.0 GWh	$ 26,221	Page 7
Year-to-date customer load - Industrial	498.0 GWh	621.4 GWh	-123.4 GWh	$ (6,260,007)	Page 9
				$ 1,949,354	

Rural rates		
Rural Rate Alteration (RRA) [1]	$ 2,234,315	
Less : RRA to utility customer	$ 1,565,795	Page 8
RRA to Labrador interconnected	668,520	
Fuel variance to Labrador interconnected	$ 84,262	Page 5
Net Labrador interconnected	$ 752,782	

Current plan summary		
One year recovery		
Due (to) from utility customer	$ (60,639,470)	Page 8
Due (to) from Industrial customers	$ 703,118	Page 10
Sub total	(59,936,352)	
Four year recovery		
Hydraulic balance	$ (47,861,710)	Page 3
Segregated Load Variation		Page 11
Utility Customer	$ (41,416,540)	
Industrial Customer	$ (2,521,405)	
Sub Total	$ (43,937,945)	
Utility RSP Surplus	$ (132,284,835)	Page 12
Industrial RSP Surplus	$ (3,054,362)	Page 13
Total plan balance	$ (287,075,204)	

Rate Stabilization Plan
Plan Highlights
December 31, 2016
(2007 Test Year)

	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 3
No 6 fuel cost - Current month	$ 57.64	$ 58.98	$ (1.34)	$ (23,941,411)	Page 4
Year-to-date customer load - Utility	5,844.7 GWh	4,925.8 GWh	918.9 GWh	$ (6,368,413)	Page 7
Year-to-date customer load - Industrial	505.4 GWh	894.3 GWh	-388.9 GWh	$ (18,166,751)	Page 9
				$ (41,376,582)	

Rural rates		
Rural Rate Alteration (RRA)	$ 8,192,277	
Less : RRA to utility customer	$ 7,299,318	Page 8
RRA to Labrador interconnected	892,959	
Fuel variance to Labrador interconnected	$ (182,136)	Page 5
Net Labrador interconnected	$ 710,823	

Current plan summary		
One year recovery		
Due (to) from utility customer	$ (68,976,964)	Page 8
Due (to) from Industrial customers	$ (2,578,000)	Page 10
Sub total	(71,554,964)	
Four year recovery		
Hydraulic balance	$ (37,018,152)	Page 3
Segregated Load Variation		Page 11
Utility Customer	$ (9,328,286)	
Industrial Customer	$ (81,948,901)	
Sub Total	$ (91,277,187)	
Utility RSP Surplus	$ (143,390,469)	Page 12
Industrial RSP Surplus	$ (388,883)	Page 13
Total plan balance	$ (343,629,655)	

Rate Stabilization Plan
Plan Highlights
December 31, 2016
(2015 Test Year)

	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 3
No 6 fuel cost - Current month	$ 57.64	$ 58.98	$ (1.34)	$ (23,941,411)	Page 4
Year-to-date customer load - Utility	5,844.7 GWh	5,924.1 GWh	-79.4 GWh	$ 677,007	Page 7
Year-to-date customer load - Industrial	505.4 GWh	621.4 GWh	-116.0 GWh	$ (5,672,102)	Page 9
				$ (9,617,790)	

Rural rates		
Rural Rate Alteration (RRA) (1)	$ 8,192,277	
Less : RRA to utility customer	$ 6,919,518	Page 8
RRA to Labrador interconnected	1,272,759	
Fuel variance to Labrador interconnected	$ (72,687)	Page 5
Net Labrador interconnected	$ 1,200,072	

Current plan summary		
One year recovery		
Due (to) from utility customer	$ (50,664,507)	Page 8
Due (to) from Industrial customers	$ (1,817,842)	Page 10
Sub total	(52,482,349)	
Four year recovery		
Hydraulic balance	$ (21,407,245)	Page 3
Segregated Load Variation		Page 11
Utility Customer	$ (48,868,339)	
Industrial Customer	$ (3,109,520)	
Sub Total	$ (51,977,859)	
Utility RSP Surplus	$ (141,029,124)	Page 12
Industrial RSP Surplus	$ (291,188)	Page 13
Total plan balance	$ (267,187,765)	

Newfoundland and Labrador Hydro

Rate Stabilization Plan Report
March 31, 2017

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 variationss 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 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 regadless of the actual conversion rate experienced.

	2015 Test Year Cost of Service			
	Net Hydraulic Production (kWh)	No. 6 Fuel Cost ($Can/bbl.)	Utility Load (kWh)	Industrial Load (kWh)
January	503,640,000	57.55	729,300,000	49,000,000
February	457,830,000	59.85	662,500,000	45,900,000
March	438,830,000	61.41	657,400,000	51,200,000
April	370,790,000	61.41	514,600,000	50,500,000
May	312,990,000	62.64	423,000,000	53,500,000
June	323,000,000	62.64	348,100,000	51,700,000
July	330,220,000	62.64	314,700,000	51,900,000
August	330,170,000	62.64	314,500,000	53,100,000
September	326,980,000	62.64	337,300,000	38,300,000
October	348,360,000	66.51	416,700,000	58,800,000
November	400,160,000	71.70	526,000,000	57,800,000
December	460,598,000	76.05	680,000,000	59,700,000
Total	4,603,568,000		5,924,100,000	621,400,000

Rate Stabilization Plan
Plan Highlights
March 31, 2017

	Actual	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	1,473.6 GWh	1,400.3 GWh	73.3 GWh	$ (7,204,067)	Page 4
No 6 fuel cost - Current month	$ 69.22	$ 61.41	$ 7.81	$ 7,403,733	Page 5
Year-to-date customer load - Utility	2,060.9 GWh	2,049.2 GWh	11.7 GWh	$ (64,054)	Page 10
Year-to-date customer load - Industrial	126.1 GWh	146.1 GWh	-20.0 GWh	$ (1,098,742)	Page 11
				$ (963,130)	

Rural rates		
Rural Rate Alteration (RRA)	$ 3,104,332	
Less : RRA to utility customer	$ 2,969,256	Page 8
RRA to Labrador interconnected	135,076	
Fuel variance to Labrador interconnected	$ 22,442	Page 6
Net Labrador interconnected	$ 157,518	

Current plan summary		
One year recovery		
Due (to) from utility customer	$ (73,443,479)	Page 8
Due (to) from Industrial customers	$ (1,292,426)	Page 9
Sub total	(74,735,905)	
Four year recovery		
Hydraulic balance	$ (28,970,810)	Page 4
Segregated Load Variation		Page 14
Utility Customer	$ (0)	
Industrial Customer	$ (3,247,433)	
Sub Total	$ (3,247,433)	
Utility RSP Surplus	$ (23,319,579)	Page 15
Industrial RSP Surplus	$ 446,585	Page 16
Total plan balance	$ (129,827,143)	

Rate Stabilization Plan
Net Hydraulic Production Variation
March 31, 2017

	A	B	C	D	E	F	G
	Cost of Service Net Hydraulic Production (kWh)	Actual Net Hydraulic Production (kWh)	Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	Cost of Service No. 6 Fuel Cost ($Can/bbl.)	Net Hydraulic Production Variation ($) **(C / O[1] X D)**	Financing Charges ($)	Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 17)**
Opening balance							(37,018,152)
RSP Change in Test Years [2]							15,611,000
Adjusted Opening Balance							(21,407,152)
January	503,640,000	513,587,079	(9,947,079)	57.55	(926,231)	(114,493)	(22,447,876)
February	457,830,000	466,205,211	(8,375,211)	59.85	(811,154)	(120,059)	(23,379,089)
March	438,830,000	493,847,401	(55,017,401)	61.41	(5,466,682)	(125,039)	(28,970,810)
April							
May							
June							
July							
August							
September							
October							
November							
December							
	1,400,300,000	1,473,639,691	(73,339,691)		(7,204,067)	(359,591)	(28,970,810)
Hydraulic Allocation [2]							
Hydraulic variation at year end					(7,204,067)	(359,591)	(28,970,810)

[1] O is the Holyrood Operating Efficiency of 618 kWh/barrel.

[2] GRA Compliance Filing to Order No. 49(2016) January 27, 2017.

Rate Stabilization Plan
No. 6 Fuel Variation
March 31, 2017

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.)	($Can/bbl.)	($Can/bbl.)	($Can/bbl.)	($)
			(A - B)			**(E - D)**	**(C X F)** **(to page 6)**
January	375,624	0	375,624	57.55	62.79	5.24	1,969,923
February	364,336	0	364,336	59.85	67.67	7.82	2,847,505
March	330,992	0	330,992	61.41	69.22	7.81	2,586,305
April							
May							
June							
July							
August							
September							
October							
November							
December							
	1,070,952	0	1,070,952				7,403,733

Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
March 31, 2017

	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 95.65%)**	**(G X 4.35%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	5,834,707,469	502,513,639	476,656,913	6,813,878,021	1,686,840	145,279	137,804	1,969,923	131,808	5,996
February	5,861,296,315	502,837,253	477,507,277	6,841,640,845	4,127,135	354,065	336,228	4,817,428	321,598	14,630
March	5,868,946,088	511,539,463	477,768,433	6,858,253,984	6,335,739	552,225	515,769	7,403,733	493,327	22,442
April										
May										
June										
July										
August										
September										
October										
November										
December										

(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 2015 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
March 31, 2017

	A	B	C	D	E	F	G
	Utility					**Industrial**	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		**(from page 6)**		**(to page 8)**	**(from page 6)**	**(to page 9)**
January	1,686,840	1,686,840	131,808	131,808	1,818,648	145,279	145,279
February	4,127,135	2,440,295	321,598	189,790	2,630,085	354,065	208,786
March	6,335,739	2,208,604	493,327	171,729	2,380,333	552,225	198,160
April							
May							
June							
July							
August							
September							
October							
November							
December							
		6,335,739		493,327	6,829,066		552,225

(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
Summary of Utility Customer
March 31, 2017

	A	B	C	D	E	F	G	H
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration (1)	Subtotal Monthly Variances	Financing Charges	Adjustment (2)	Transfer from Load Variation Balance (3)	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)				
		(from page 7)					**(from page 14)**	**(to page 17)**
Opening Balance								(68,976,964)
RSP Change in Test Years [4]								18,312,000
Revenue Deficiency/(Sufficiency) [5]								(6,577,000)
Adjusted Opening Balance								(57,241,964)
January		1,818,648	916,383	2,735,031	(306,149)	8,951,313		(45,861,769)
February		2,630,085	942,226	3,572,311	(245,284)	8,175,911		(34,358,831)
March		2,380,333	1,110,647	3,490,980	(183,762)	8,345,233	(50,737,099)	(73,443,479)
April								
May								
June								
July								
August								
September								
October								
November								
December								
Year to date		6,829,066	2,969,256	9,798,322	(735,195)	25,472,457	(50,737,099)	(16,201,515)
Hydraulic allocation								0
(from page 4)								
Total		6,829,066	2,969,256	9,798,322	(735,195)	25,472,457	(50,737,099)	(73,443,479)

(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 Utility is 1.236 cents per kWh effective July 1, 2016 to June 30, 2017.

(3) Per Board Order No. P.U. 16(2017), the Newfoundland Power Load Variation balance transferred to the Newfoundland Power Current Plan to mitigate the proposed July 1, 2017 RSP Adjustment rate increase.

(4) GRA Compliance Filing to Order No. 49(2016) January 27, 2017.

(5) Cumulative revenue sufficiency credited to Current Plan per Compliance Rates Application - Exhibit 3 May 2017.($35,015 (2014) - $9,998 (2015) - $31,604 (2016) = ($6,577))

Rate Stabilization Plan
Summary of Industrial Customers
March 31, 2017

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
		(from page 7)				**(to page 17)**
Opening Balance						(2,578,000)
RSP Change in Test Years [1]						760,000
Adjusted Opening Balance						(1,818,000)
January		145,279	145,279	(9,723)	0	(1,682,444)
February		208,786	208,786	(8,998)	0	(1,482,656)
March		198,160	198,160	(7,930)	0	(1,292,426)
April						
May						
June						
July						
August						
September						
October						
November						
December						
Year to date	0	552,225	552,225	(26,651)	0	525,574
Hydraulic allocation						0
(from page 4)						
Total	0	552,225	552,225	(26,651)	0	(1,292,426)

(1) GRA Compliance Filing to Order No. 49(2016) January 27, 2017.

Rate Stabilization Plan
Load Variation - Utility
March 31, 2017

	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[2]	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge[2]	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 12)
January	729,300,000	723,432,142	(5,867,858)	57.55	0.10422	65,158	0	784,140	0.02882	(22,599)	42,559
February	662,500,000	660,922,054	(1,577,946)	59.85	0.10422	11,627	0	559,455	0.02882	(16,123)	(4,496)
March	657,400,000	674,523,311	17,123,311	61.41	0.10422	(83,172)	0	657,366	0.02882	(18,945)	(102,117)
April											
May											
June											
July											
August											
September											
October											
November											
December											
	2,049,200,000	2,058,877,507	9,677,507			(6,387)	0	2,000,961		(57,667)	(64,054)

(1) O is the Holyrood Operating Efficiency of 618 kWh/barrel.
(2) Proposed 2015 Test Year firm energy rate for Utility is 10.422 cents per kWh effective January 1, 2017 and a firming up charge of 2.882 cents per kWh effective January 1, 2017.

Rate Stabilization Plan

Load Variation - Industrial

March 31, 2017

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh)	($)	($/kWh)	($)
			(B - A)			**C x {(D/O[1]) - E}**
						(to page 12)
January	49,000,000	36,580,091	(12,419,909)	57.55	0.03971	(663,296)
February	45,900,000	39,488,172	(6,411,828)	59.85	0.03971	(366,383)
March	51,200,000	50,042,258	(1,157,742)	61.41	0.03971	(69,063)
April						
May						
June						
July						
August						
September						
October						
November						
December						
	146,100,000	126,110,521	(19,989,479)			(1,098,742)

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

Rate Stabilization Plan
Allocation of Load Variance - Year-to-Date
March 31, 2017

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Load Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total [2]	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**	**(from pages 11 & 12)**		
January	5,834,707,469	502,513,639	476,656,913	6,813,878,021	(531,536)	(45,778)	(43,423)	(620,737)	(41,534)	(1,889)
February	5,861,296,315	502,837,253	477,507,277	6,841,640,845	(849,527)	(72,880)	(69,209)	(991,616)	(66,198)	(3,011)
March	5,868,946,088	511,539,463	477,768,433	6,858,253,984	(995,062)	(86,730)	(81,004)	(1,162,796)	(77,479)	(3,525)
April										
May										
June										
July										
August										
September										
October										
November										
December										

[1] The Load 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 2015 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] Total load re-allocated based on energy ratios. The total is the sum of the Load Variation - Utility and Load Variation - Industrial.

Rate Stabilization Plan
Allocation of Load Variance - Year-to-Date
March 31, 2017

	A	B	C	D	E	F	G
	Utility					**Industrial**	
	Load Variance		Rural Allocation		Total load	Load 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)
	($)	($)	($)	($)	($) **(B + D)** **(to page 14)**	($)	($) **(to page 14)**
January	(531,536)	(531,536)	(41,534)	(41,534)	(573,070)	(45,778)	(45,778)
February	(849,527)	(317,991)	(66,198)	(24,664)	(342,655)	(72,880)	(27,102)
March	(995,062)	(145,535)	(77,479)	(11,282)	(156,817)	(86,730)	(13,850)
April	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0
		(995,062)		(77,479)	(1,072,541)		(86,730)

(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
March 31, 2017

	A	B	C	D	E	F	G	H
	Utility Customer				Island Industrial Customers			
	Load Variation	Financing Charges	Transfer to Current [1]	Total To Date	Load Variation	Financing Charges	Total To Date	Total To Date [2]
		($)		($)		($)	($)	($)
				(A + B + C)			(E+ F)	(D + G)
	(from page 13)		**(to page 8)**		**(from page 13)**			**(to page 17)**
Opening Balance				(9,328,286)			(81,948,901)	(91,277,187)
RSP Change in Test Years [3]				(39,540,000)			78,839,000	39,299,000
Adjusted Opening Balance				(48,868,286)			(3,109,901)	(51,978,187)
January	(573,070)	(261,364)		(49,702,720)	(45,778)	(16,633)	(3,172,312)	(52,874,702)
February	(342,655)	(265,827)		(50,311,202)	(27,102)	(16,967)	(3,216,381)	(53,527,251)
March	(156,817)	(269,081)	50,737,099	(0)	(13,850)	(17,202)	(3,247,433)	(53,984,198)
April								
May								
June								
July								
August								
September								
October								
November								
December								
Total	(1,072,541)	(796,272)	50,737,099	(0)	(86,730)	(50,802)	(3,247,433)	(3,247,433)

(1) Per Board Order No. P.U. 16(2017), the Newfoundland Power Load Variation balance transferred to the Newfoundland Power Current Plan to mitigate the proposed July 1, 2017 RSP Adjustment rate increase.

(2) 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
March 31, 2017

	A	B	C	D
	Industrial Customer Adjustment	Utility Payout [1]	Financing Charges	Cumulative Balance
	($)	($)	($)	($)
				(to page 17)
Opening Balance				(143,390,469)
RSP Change in Test Years [2]				2,361,000
Adjusted Opening Balance				(141,029,469)
January		59,087	(754,273)	(141,724,655)
February		118,912,863	(757,991)	(23,569,783)
March		376,263	(126,059)	(23,319,579)
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year to date	-	119,348,213	(1,638,323)	117,709,890
Total		119,348,213	(1,638,323)	(23,319,579)

(1) The RSP Surplus Payout and Admin Costs are comprised of a payout of $118,912,863, Hydro admin costs of $59,087 and NL F costs of $376,263.

(2) GRA Compliance Filing to Order No. 49(2016) January 27, 2017.

Rate Stabilization Plan
Industrial RSP Surplus
March 31, 2017

	A	B	C	D	E
	Industrial Surplus	Teck Allocation [(1)]	Industrial Drawdown[(2)]	Financing Charges	Cumulative Balance
	($)	($)	($)	($)	($)
					(to page 17)
Opening Balance					(388,883)
RSP Change in Test Years [3]					98,000
Adjusted Opening Balance					(290,883)
January		4,835	222,983	(1,556)	(64,621)
February		4,257	233,053	(346)	172,344
March		4,677	268,642	922	446,585
April					
May					
June					
July					
August					
September					
October					
November					
December					
Year to date	0	13,769	724,679	(980)	737,468
Total	0	13,769	724,679	(980)	446,585

(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).

(3) GRA Compliance Filing to Order No. 49(2016) January 27, 20:

Rate Stabilization Plan
Overall Summary
March 31, 2017

	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
	($)	($)	($)	($)	($)	($)	($)
							(A + B + C + D + E + F)
	(from page 4)	**(from page 8)**	**(from page 9)**	**(from page 14)**	**(from page 15)**	**(from page 16)**	
Opening Balance	(37,018,152)	(68,976,964)	(2,578,000)	(91,277,187)	(143,390,469)	(388,883)	(343,629,655)
RSP Change in Test Years [1]	15,611,000	18,312,000	760,000	39,299,000	2,361,000	98,000	76,441,000
Revenue Deficiency/(Sufficiency) [2]		(6,577,000)					(6,577,000)
Adjusted Opening Balance	(21,407,152)	(57,241,964)	(1,818,000)	(51,978,187)	(141,029,469)	(290,883)	(273,765,655)
January	(22,447,876)	(45,861,769)	(1,682,444)	(52,875,032)	(141,724,655)	(64,621)	(264,656,396)
February	(23,379,089)	(34,358,831)	(1,482,656)	(53,527,583)	(23,569,783)	172,344	(136,145,598)
March	(28,970,810)	(73,443,479)	(1,292,426)	(3,247,433)	(23,319,579)	446,585	(129,827,143)
April							
May							
June							
July							
August							
September							
October							
November							
December							

(1) GRA Compliance Filing to Order No. 49(2016) January 27, 2017.

(2) Cumulative revenue sufficiency credited to Current Plan per Compliance Rates Application - Exhibit 3 May 2017.

Compliance Rates Application - Exhibit 7

Revised Cost of Service Schedules for Revenue Deficiency

May 2017

A Report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro
a nalcor energy company

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Exhibit 7 - Revised Cost of Service Schedules for Revenue Deficiency

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	Rate Class	Revenues ($)	Cost of Service Before Deficit and Revenue Credit Allocation ($)	Revenue Credits ($)	Deficit ($)	RSP Activity ($)	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	Revenue to Cost Coverage (Col.2/3)
	Total System							
1	Newfoundland Power	417,080,124	460,000,607	-	58,446,455	-	518,447,062	0.91
2	RSP Activity	66,352,616	-	-	-	-	-	
3	Subtotal Newfoundland Power	**483,432,740**	**460,000,607**	**-**	**58,446,455**	**-**	**518,447,062**	**1.05**
4	Island Industrial	26,833,303	30,065,868	-	-		30,065,868	0.89
5	Unallocated RSP Hydraulic Variation	-	-	-	-		-	-
6	Labrador Industrial	1,936,100	1,936,100	-	-		1,936,100	1.00
7	CFB - Goose Bay Secondary	752,411	9,784	742,626	-		752,411	76.90
8	Rural Labrador Interconnected	19,730,211	17,026,399	-	2,163,329		19,189,728	1.16
	Rural Deficit Areas							
9	Island Interconnected	53,211,799	77,439,333	-	(24,227,534)		53,211,799	0.69
10	Island Isolated	1,616,457	9,171,079	-	(7,554,623)		1,616,457	0.18
11	Labrador Isolated	7,917,225	33,643,060	-	(25,725,835)		7,917,225	0.24
12	L'Anse au Loup	2,956,944	6,801,363	-	(3,844,419)		2,956,944	0.43
13	Revenue Credit Applied to Deficit (100.0%)	-	-	(742,626)	742,626		-	-
14	**Subtotal**	**65,702,424**	**127,054,835**	**(742,626)**	**(60,609,784)**	**-**	**65,702,424**	**0.52**
15	**Total**	**598,387,188**	**636,093,593**	**-**	**-**	**-**	**636,093,593**	**0.94**

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Interconnected
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	Island Interconnected							
1	Newfoundland Power	417,080,124	460,000,607	-	58,446,455	-	518,447,062	
2	NLP RSP Activity	66,352,616					-	
3	**Subtotal Newfoundland Power**	**483,432,740**	**460,000,607**	**-**	**58,446,455**	**-**	**518,447,062**	**1.05**
4	Industrial - Firm	21,683,000	30,065,868	-			30,065,868	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	5,150,302					-	
7	**Subtotal Industrial**	**26,833,303**	**30,065,868**	**-**	**-**		**30,065,868**	**0.89**
8	**Unallocated RSP Hydraulic Variation**	**-**						
	Rural							
9	1.1 Domestic	14,678,388	23,092,259	-	(8,413,871)		14,678,388	0.64
10	1.12 Domestic All Electric	18,498,938	28,804,090	-	(10,305,152)		18,498,938	0.64
11	1.3 Special	21,814	72,396	-	(50,582)		21,814	0.30
12	2.1 General Service 0-10 kW							
13	2.2 General Service 10-100 kW	9,810,837	12,638,234	-	(2,827,396)		9,810,837	0.78
14	2.3 General Service 110-1,000 kVa	6,116,636	7,895,740	-	(1,779,104)		6,116,636	0.77
15	2.4 General Service Over 1,000 kVa	3,073,210	3,666,809	-	(593,598)		3,073,210	0.84
16	4.1 Street and Area Lighting	1,011,976	1,269,807	-	(257,831)		1,011,976	0.80
17	**Subtotal Rural**	**53,211,799**	**77,439,333**	**-**	**(24,227,534)**		**53,211,799**	**0.69**
18	**Total Island Interconnected**	**563,477,841**	**567,505,808**	**-**	**34,218,921**		**601,724,729**	**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	-

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Island Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	Island Isolated							
1	1.2 Domestic Diesel	867,907	6,931,939		(6,064,032)		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	889,230		(674,086)		215,144	0.24
5	2.2 GS 10-100 kW	492,122	888,147		(396,026)		492,122	0.55
6	2.3 GS 110-1,000 kVa	0	296,734		(296,734)		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	165,029		(123,744)		41,285	0.25
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**1,616,457**	**9,171,079**		**(7,554,623)**		**1,616,457**	**0.18**

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	Labrador Isolated							
1	1.2 Domestic Diesel	3,506,542	18,194,097		(14,687,555)		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	3,708,874		(2,552,816)		1,156,058	0.31
5	2.2 GS 10-100 kW	2,561,636	8,028,884		(5,467,248)		2,561,636	0.32
6	2.3 GS 110-1,000 kVa	325,935	1,781,488		(1,455,553)		325,935	0.18
7	2.4 General Service Over 1,000 kVa	250,320	1,588,651		(1,338,331)		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	341,066		(224,332)		116,734	0.34
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**7,917,225**	**33,643,060**		**(25,725,835)**		**7,917,225**	**0.24**

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
L'Anse au Loup
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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	577,120	1,365,788		(788,668)		577,120	0.42
2	1.12 Domestic All Electric	1,258,276	3,113,745		(1,855,469)		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	1,731,893		(912,749)		819,144	0.47
5	2.3 General Service 110-1,000 kVa	253,818	523,640		(269,822)		253,818	0.48
6	4.1 Street and Area Lighting	48,586	66,297		(17,711)		48,586	0.73
7	**Total L'Anse Au Loup**	**2,956,944**	**6,801,363**		**(3,844,419)**		**2,956,944**	**0.43**

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Labrador Interconnected
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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	1,936,100	1,936,100		-		1,936,100	1.00
2	Industrial IOCC Non-Firm	-	-		-		-	0.00
3	**Subtotal Industrial**	**1,936,100**	**1,936,100**	**-**	**-**		**1,936,100**	**1.00**
4	**CFB - Goose Bay Secondary**	752,411	9,784	742,626	-		752,411	76.90
	Rural							
5	1.1 Domestic	114,936	212,179	-	26,958.90		239,138	0.54
6	1.1A Domestic All Electric	11,459,804	10,502,344	-	1,334,400		11,836,744	1.09
7	2.1 General Service 0-10 kW	426,828	330,688	-	42,016		372,704	1.29
8	2.2 General Service 10-100 kW	2,398,589	1,679,802	-	213,431		1,893,233	1.43
9	2.3 General Service 110-1,000 kVa	3,417,642	2,458,474	-	312,367		2,770,842	1.39
10	2.4 General Service Over 1,000 kVa	1,604,223	1,527,344	-	194,060		1,721,404	1.05
11	4.1 Street and Area Lighting	308,189	315,567	-	40,095		355,662	0.98
12	**Subtotal Rural**	**19,730,211**	**17,026,399**	**-**	**2,163,329**		**19,189,728**	**1.16**
13	**Total Labrador Interconnected**	**22,418,722**	**18,972,283**	**742,626**	**2,163,329**		**21,878,239**	**1.18**

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		742,626
Revenue Credit Applied to Deficit	**100.0%**	742,626
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		742,626

Newfoundland and Labrador Hydro
2014 Test Year Cost of Service for 2014 Revenue Deficiency
Total System
Rural Deficit Allocation

	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		460,000,607	96.4%
2	Labrador Interconnected		17,026,399	3.6%
	TOTAL RURAL DEFICIT			
3	Total Rural Deficit:			**60,609,784**
	CUSTOMER DEFICIT ALLOCATION:		Revenue Requirement Percentage Applied (%)	Deficit Allocation Amount ($)
	Island Interconnected:			
4	Newfoundland Power		96.4%	58,446,455
	Labrador Interconnected:			
5	Rural Labrador Interconnected		3.6%	2,163,329
6	**Total**		100.0%	**60,609,784**

* 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:	$472.76
Labrador Interconnected:	$457.22

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	Rate Class	Revenues ($)	Cost of Service Before Deficit and Revenue Credit Allocation ($)	Revenue Credits ($)	Deficit ($)	RSP Activity ($)	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	Revenue to Cost Coverage (Col.2/3)
	Total System							
1	Newfoundland Power	429,322,709	363,665,168	-	55,669,859	-	419,335,026	
2	RSP Activity		-	-	-	-	-	
3	Subtotal Newfoundland Power	**429,322,709**	**363,665,168**	**-**	**55,669,859**	**-**	**419,335,026**	**1.18**
4	Island Industrial	32,181,654	32,570,851	-	-		32,570,851	0.99
5	Unallocated RSP Hydraulic Variation	-	-	-	-		-	-
6	Labrador Industrial	5,410,564	5,077,710	-	-		5,077,710	1.07
7	CFB - Goose Bay Secondary	932,221	19,653	912,568	-		932,221	47.43
8	Rural Labrador Interconnected	20,093,238	17,528,328	-	2,683,236		20,211,565	1.15
	Rural Deficit Areas							
9	Island Interconnected	48,185,077	69,876,069	-	(21,690,992)		48,185,077	0.69
10	Island Isolated	1,404,780	9,432,904	-	(8,028,124)		1,404,780	0.15
11	Labrador Isolated	7,657,423	33,973,860	-	(26,316,437)		7,657,423	0.23
12	L'Anse au Loup	2,699,621	5,929,731	-	(3,230,110)		2,699,621	0.46
13	CFB Revenue Credit Applied to Deficit	-	-	(912,568)	912,568		-	-
14	**Subtotal**	**59,946,902**	**119,212,564**	**(912,568)**	**(58,353,095)**	**-**	**59,946,902**	**0.50**
15	**Total**	**547,887,288**	**538,074,273**	**-**	**-**	**-**	**538,074,273**	**1.02**

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Interconnected
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	Island Interconnected							
1	Newfoundland Power	429,322,709	363,665,168	-	55,669,859	-	419,335,026	
2	NLP RSP Activity	-					-	
3	**Subtotal Newfoundland Power**	**429,322,709**	**363,665,168**	**-**	**55,669,859**	**-**	**419,335,026**	**1.18**
4	Industrial - Firm	32,181,654	32,570,851	-			32,570,851	
5	Industrial - Non-Firm	-	-	-			-	
6	Industrial RSP Activity	-					-	
7	**Subtotal Industrial**	**32,181,654**	**32,570,851**	**-**	**-**		**32,570,851**	**0.99**
	Rural							
8	1.1 Domestic	13,420,514	20,671,484	-	(7,250,970)		13,420,514	0.65
9	1.12 Domestic All Electric	15,735,315	23,832,256	-	(8,096,941)		15,735,315	0.66
10	1.3 Special	19,223	59,014	-	(39,790)		19,223	0.33
11	2.1 General Service 0-10 kW							
12	2.2 General Service 10-100 kW	8,700,269	11,709,028	-	(3,008,759)		8,700,269	0.74
13	2.3 General Service 110-1,000 kVa	6,102,165	8,084,625	-	(1,982,460)		6,102,165	0.75
14	2.4 General Service Over 1,000 kVa	3,265,914	4,264,722	-	(998,808)		3,265,914	0.77
15	4.1 Street and Area Lighting	941,677	1,254,940	-	(313,263)		941,677	0.75
16	**Subtotal Rural**	**48,185,077**	**69,876,069**	**-**	**(21,690,992)**		**48,185,077**	**0.69**
17	**Total Island Interconnected**	**509,689,440**	**466,112,087**	**-**	**33,978,867**		**500,090,954**	**1.09**

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 Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Island Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	Island Isolated							
1	1.2 Domestic Diesel	731,622	7,132,304		(6,400,682)		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	912,103		(746,778)		165,325	0.18
5	2.2 GS 10-100 kW	411,055	764,739		(353,684)		411,055	0.54
6	2.3 GS 110-1,000 kVa	0	444,362		(444,362)		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	179,396		(141,126)		38,270	0.21
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**1,404,780**	**9,432,904**		**(8,028,124)**		**1,404,780**	**0.15**

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Labrador Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
		($)	($)	($)	($)	($)	($)	
	Labrador Isolated							
1	1.2 Domestic Diesel	3,095,464	17,973,174		(14,877,709)		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	3,453,288		(2,412,447)		1,040,841	0.30
5	2.2 GS 10-100 kW	2,563,567	8,847,995		(6,284,428)		2,563,567	0.29
6	2.3 GS 110-1,000 kVa	349,154	1,824,754		(1,475,601)		349,154	0.19
7	2.4 General Service Over 1,000 kVa	237,141	1,530,621		(1,293,481)		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	344,029		(231,900)		112,128	0.33
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	**Total**	**7,657,423**	**33,973,860**		**(26,316,437)**		**7,657,423**	**0.23**

Newfoundland and Labrador Hydro
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
	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	1,228,307		(729,326)		498,981	0.41
2	1.12 Domestic All Electric	1,142,836	2,705,586		(1,562,751)		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	1,566,916		(776,328)		790,588	0.50
5	2.3 General Service 110-1,000 kVa	220,623	365,068		(144,445)		220,623	0.60
6	4.1 Street and Area Lighting	46,593	63,854		(17,261)		46,593	0.73
7	**Total L'Anse Au Loup**	**2,699,621**	**5,929,731**		**(3,230,110)**		**2,699,621**	**0.46**

Newfoundland and Labrador Hydro
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
	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	5,410,564	5,077,710		-		5,077,710	1.07
2	Industrial IOCC Non-Firm	-	-		-		-	0.00
3	**Subtotal Industrial**	**5,410,564**	**5,077,710**	**-**	**-**		**5,077,710**	**1.07**
4	**CFB - Goose Bay Secondary**	932,221	19,653	912,568	-		932,221	47.43
	Rural							
5	1.1 Domestic	101,289	207,517	-	31,766.78		239,284	0.49
6	1.1A Domestic All Electric	11,049,621	10,547,356	-	1,614,589		12,161,945	1.05
7	2.1 General Service 0-10 kW	410,227	359,123	-	54,975		414,098	1.14
8	2.2 General Service 10-100 kW	2,342,225	1,795,946	-	274,923		2,070,869	1.30
9	2.3 General Service 110-1,000 kVa	3,071,096	2,251,753	-	344,698		2,596,451	1.36
10	2.4 General Service Over 1,000 kVa	2,806,310	2,051,954	-	314,113		2,366,068	1.37
11	4.1 Street and Area Lighting	312,471	314,679	-	48,171		362,850	0.99
12	**Subtotal Rural**	**20,093,238**	**17,528,328**	**-**	**2,683,236**		**20,211,565**	**1.15**
13	**Total Labrador Interconnected**	**26,436,023**	**22,625,691**	**912,568**	**2,683,236**		**26,221,495**	**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		912,568
Revenue Credit Applied to Deficit	**100.0%**	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		912,568

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Rural Deficit Allocation

	1	2	3	4	5	6
		Before Deficit and Revenue Credit Allocation				
	Rate Class	Allocated Revenue Reqt ($)	Demand ($)	Energy ($)	Customer ($)	Source
	CLASSIFICATION TO DEMAND, ENERGY, CUSTOMERS:					
1	Newfoundland Power	363,665,168	143,669,786	215,730,989	4,264,392	Schedule 1.3.1, p. 1
2	Rural Labrador Interconnected	17,528,328	10,687,183	1,333,949	5,507,197	Schedule 1.3.1, p. 3
3	**Total**	**381,193,496**	**154,356,969**	**217,064,938**	**9,771,589**	
4	Deficit Classified	58,353,094.80	23,628,963	33,228,298	1,495,835	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:	$520.86
Labrador Interconnected:	$474.77

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2015 Revenue Deficiency
Total System
Rural Deficit Allocation

	1	2	
	Rate Class	Deficit Allocation Allocated 100% on Revenue Reqt ($)	
	ALLOCATION OF DEFICIT:		
1	Island Interconnected	55,669,858.55	
2	Labrador Interconnected	2,683,236.25	
3	**Allocated Totals**	**58,353,095**	
	CUSTOMER DEFICIT ALLOCATION:		
		Amount	Percent
	Island Interconnected:		
4	Newfoundland Power	55,669,859	95.4%
5	Sub-Total Island Interconnected	55,669,859	
	Labrador Interconnected:		
6	Rural Labrador Interconnected	2,683,236	4.6%
7	Subtotal Labrador Interconnected	2,683,236	
8	**Total**	**58,353,095**	100.0%

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	Rate Class	Revenues ($)	Cost of Service Before Deficit and Revenue Credit Allocation ($)	Revenue Credits ($)	Deficit ($)	RSP Activity ($)	Revenue Requirement After Deficit and Revenue Credit Allocation (Col.3+4+5+6) ($)	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**

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Interconnected
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	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	-

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Island Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	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**

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Labrador Isolated
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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)
	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**

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
L'Anse au Loup
Comparison of Revenue & Allocated Revenue Requirement

	1	2	3	4	5	6	7	8
	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	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**

Newfoundland and Labrador Hydro
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
	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**

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		912,568
Revenue Credit Applied to Deficit	**100.0%**	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		912,568

Newfoundland and Labrador Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Rural Deficit Allocation

	1	2	3	4	5	6
		Before Deficit and Revenue Credit Allocation				
	Rate Class	Allocated Revenue Reqt ($)	Demand ($)	Energy ($)	Customer ($)	Source
	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 Hydro
2015 Test Year Cost of Service for 2016 Revenue Deficiency
Total System
Rural Deficit Allocation

	1	2	
	Rate Class	Deficit Allocation Allocated 100% on Revenue Reqt ($)	
	ALLOCATION OF DEFICIT:		
1	Island Interconnected	49,296,968.37	
2	Labrador Interconnected	2,366,658.70	
3	**Allocated Totals**	**51,663,627**	
	CUSTOMER DEFICIT ALLOCATION:		
		Amount	Percent
	Island Interconnected:		
4	Newfoundland Power	49,296,968	95.4%
5	Sub-Total Island Interconnected	49,296,968	
	Labrador Interconnected:		
6	Rural Labrador Interconnected	2,366,659	4.6%
7	Subtotal Labrador Interconnected	2,366,659	
8	**Total**	**51,663,627**	100.0%

Compliance Rates Application - Exhibit 8

wŜǾƚăŜŘ 2015 Test Year Cost of Service for Rate Setting

May 2017

A Report to the Board of Commissioners of Public Utilities

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total System
Revenue Requirement

Line No.	1 Description	2 Total Amount ($)	3 Island Interconnected ($)	4 Island Isolated ($)	5 Labrador Isolated ($)	6 L'Anse au Loup ($)	7 Labrador Interconnected ($)	8 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	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 Reqt 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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total System
Return on Rate Base

	1	2	3	4	5	6	7	8
Line No		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 HYDRC
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	443,359,435	386,597,884	-	56,768,670	-	443,366,553	
2	RSP Activity	-	-	-	-	-	-	
3	Subtotal Newfoundland Power	**443,359,435**	**386,597,884**	**-**	**56,768,670**	**-**	**443,366,553**	**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	20,170,496	17,586,817	-	2,582,477		20,169,294	1.15
	Rural Deficit Areas							
9	Island Interconnected	48,698,726	71,429,395	-	(22,730,669)		48,698,726	0.68
10	Island Isolated	1,452,557	9,454,722	-	(8,002,164)		1,452,557	0.15
11	Labrador Isolated	7,972,584	34,251,411	-	(26,278,828)		7,972,584	0.23
12	L'Anse au Loup	2,726,969	5,979,022	-	(3,252,053)		2,726,969	0.46
13	CFB Revenue Credit Applied to Deficit	-	-	(912,568)	912,568		-	-
14	**Subtotal**	**60,850,836**	**121,114,550**	**(912,568)**	**(59,351,147)**	**-**	**60,850,836**	**0.50**
15	**Total**	**565,347,273**	**565,365,667**	**-**	**-**	**-**	**565,365,667**	**1.00**

NEWFOUNDLAND AND LABRADOR HYDRC
2015 Test Year Cost of Service - Rate Setting
Island 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)
	Island Interconnected							
1	Newfoundland Power	443,359,435	386,597,884	-	56,768,670	-	443,366,553	
2	NLP RSP Activity	-					-	
3	**Subtotal Newfoundland Power**	**443,359,435**	**386,597,884**	**-**	**56,768,670**	**-**	**443,366,553**	**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	13,564,681	21,069,534	-	(7,504,853)		13,564,681	0.64
9	1.12 Domestic All Electric	16,159,404	24,347,709	-	(8,188,305)		16,159,404	0.66
10	1.3 Special	19,091	60,303	-	(41,213)		19,091	0.32
11	2.1 General Service 0-10 kW							
12	2.2 General Service 10-100 kW	8,821,279	11,983,998	-	(3,162,718)		8,821,279	0.74
13	2.3 General Service 110-1,000 kVa	5,957,332	8,307,651	-	(2,350,319)		5,957,332	0.72
14	2.4 General Service Over 1,000 kVa	3,225,813	4,396,628	-	(1,170,816)		3,225,813	0.73
15	4.1 Street and Area Lighting	951,126	1,263,572	-	(312,446)		951,126	0.75
16	**Subtotal Rural**	**48,698,726**	**71,429,395**	**-**	**(22,730,669)**		**48,698,726**	**0.68**
17	**Total Island Interconnected**	**526,881,540**	**492,855,919**	**-**	**34,038,001**		**526,893,920**	**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 HYDRC
2015 Test Year Cost of Service - Rate Setting
Island Isolated
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)
		($)	($)	($)	($)	($)	($)	
	Island Isolated							
1	1.2 Domestic Diesel	742,246	7,148,939		(6,406,694)		742,246	0.10
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	59,697	0		59,697		59,697	0.00
4	2.1 General Service 0-10 kW	177,863	914,117		(736,254)		177,863	0.19
5	2.2 GS 10-100 kW	433,324	766,457		(333,133)		433,324	0.57
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	39,429	179,766		(140,337)		39,429	0.22
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	**1,452,557**	**9,454,722**		**(8,002,164)**		**1,452,557**	**0.15**

NEWFOUNDLAND AND LABRADOR HYDRC
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
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)
		($)	($)	($)	($)	($)	($)	
	Labrador Isolated							
1	1.2 Domestic Diesel	3,138,175	18,120,350		(14,982,175)		3,138,175	0.17
2	1.2G Government Domestic Diesel	0	0		0		0	0.00
3	1.23 Churches, Schools & Com Halls	263,438	0		263,438		263,438	0.00
4	2.1 General Service 0-10 kW	1,114,119	3,480,251		(2,366,132)		1,114,119	0.32
5	2.2 GS 10-100 kW	2,795,334	8,922,720		(6,127,385)		2,795,334	0.31
6	2.3 GS 110-1,000 kVa	330,132	1,839,239		(1,509,107)		330,132	0.18
7	2.4 General Service Over 1,000 kVa	216,126	1,542,664		(1,326,538)		216,126	0.14
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	115,258	346,187		(230,929)		115,258	0.33
11	4.1G Gov't Street and Area Lighting	0	0		0		0	0.00
12	Total	**7,972,584**	**34,251,411**		**(26,278,828)**		**7,972,584**	**0.23**

NEWFOUNDLAND AND LABRADOR HYDRC
2015 Test Year Cost of Service - Rate Setting
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	504,923	1,238,431		(733,508)		504,923	0.41
2	1.12 Domestic All Electric	1,172,706	2,730,462		(1,557,756)		1,172,706	0.43
3	2.1 General Service 0-10 kW	0	0		0		0	0.00
4	2.2 General Service 10-100 kW	796,153	1,578,832		(782,679)		796,153	0.50
5	2.3 General Service 110-1,000 kVa	205,802	367,210		(161,408)		205,802	0.56
6	4.1 Street and Area Lighting	47,385	64,087		(16,702)		47,385	0.74
7	**Total L'Anse Au Loup**	**2,726,969**	**5,979,022**		**(3,252,053)**		**2,726,969**	**0.46**

Exhibit 8 - Revised 2015 Test Year Cost of Service for Rate Setting
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NEWFOUNDLAND AND LABRADOR HYDRC
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	101,439	207,512	-	30,471.37		237,983	0.49
6	1.1A Domestic All Electric	11,066,364	10,576,239	-	1,553,032		12,129,271	1.05
7	2.1 General Service 0-10 kW	410,789	359,155	-	52,739		411,894	1.14
8	2.2 General Service 10-100 kW	2,345,631	1,802,080	-	264,620		2,066,700	1.30
9	2.3 General Service 110-1,000 kVa	3,075,654	2,263,299	-	332,347		2,595,645	1.36
10	2.4 General Service Over 1,000 kVa	2,810,272	2,064,325	-	303,129		2,367,454	1.36
11	4.1 Street and Area Lighting	360,347	314,207	-	46,139		360,346	1.15
12	**Subtotal Rural**	**20,170,496**	**17,586,817**	**-**	**2,582,477**		**20,169,294**	**1.15**
13	**Total Labrador Interconnected**	**26,313,624**	**22,824,593**	**912,568**	**2,582,477**		**26,319,638**	**1.15**

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		912,568
Revenue Credit Applied to Deficit	**100.0%**	912,568
Revenue Credit Applied to Firm Regulated Labrador Interconnected Customers		-
		912,568

NEWFOUNDLAND AND LABRADOR HYDRC
2015 Test Year Cost of Service - Rate Setting
Total System
Rural Deficit Allocation

	1	2	3	4	5	6
		Before Deficit and Revenue Credit Allocation				
Line No.	Rate Class	Allocated Revenue Reqt ($)	Demand ($)	Energy ($)	Customer ($)	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	59,351,146.73	23,149,668	34,774,125	1,427,354	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 HYDRC
2015 Test Year Cost of Service - Rate Setting
Total System
Rural Deficit Allocation

Line No.	1 Rate Class	2 Deficit Allocation Allocated 100% on Revenue Reqt ($)	
	ALLOCATION OF DEFICIT:		
1	Island Interconnected	56,768,669.58	
2	Labrador Interconnected	2,582,477.15	
3	**Allocated Totals**	**59,351,147**	
	CUSTOMER DEFICIT ALLOCATION:		
		Amount	Percent
	Island Interconnected:		
4	Newfoundland Power	56,768,670	95.6%
5	Sub-Total Island Interconnected	56,768,670	
	Labrador Interconnected:		
6	Rural Labrador Interconnected	2,582,477	4.4%
7	Subtotal Labrador Interconnected	2,582,477	
8	**Total**	**59,351,147**	100.0%

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9	10	11
	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
Line		Demand		Non-Demand			Demand		Non-Demand		
No.		Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)
	Island Interconnected										
1	Newfoundland Power	9.71	-	0.03975	-	352,093.56	11.14	-	0.04559	-	403,795.56
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	-	-	-	-	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts

Line No.	Rate Class (1)	Before Deficit and Revenue Credit Allocation: Demand: Demand ($/kW) (2)	Before: Demand: Non-Demand ($/kWh) (3)	Before: Energy ($/kWh) (4)	Before: Non-Demand Demand & Energy ($/kWh) (5)	Before: Customer ($/Bill) (6)	After Deficit and Revenue Credit Allocation: Demand: Demand ($/kW) (7)	After: Demand: Non-Demand ($/kWh) (8)	After: Energy ($/kWh) (9)	After: Non-Demand Demand & Energy ($/kWh) (10)	After: Customer ($/Bill) (11)
	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	-	-	-	-	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Unit Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9	10	11
	Rate Class	Before Deficit and Revenue Credit Allocation					After Deficit and Revenue Credit Allocation				
Line		Demand		Non-Demand			Demand		Non-Demand		
No.		Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/kWh)	Demand & Energy ($/kWh)	Customer ($/Bill)	Demand ($/kW)	Non-Demand ($/kWh)	Energy ($/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	-	0.02352	0.00230	0.02582	42.08
11	1.1A Domestic All Electric	-	0.01817	0.00203	0.02021	37.17	-	0.02084	0.00233	0.02317	42.62
12	**Subtotal Domestic**	-	0.01819	0.00203	0.02022	37.15	-	0.02086	0.00233	0.02319	42.60
								-	-		
13	2.1 General Service 0-10 kW	-	0.01395	0.00204	0.01600	40.87	-	0.01600	0.00234	0.01834	46.87
14	2.2 General Service 10-100 kW	4.83	-	0.00205	-	52.69	5.54	-	0.00235	-	60.42
15	2.3 General Service 110-1,000 kVa	5.52	-	0.00205	-	67.65	6.34	-	0.00235	-	77.58
16	2.4 General Service Over 1,000 kVa	6.01	-	0.00201	-	66.89	6.89	-	0.00231	-	76.71
17	4.1 Street and Area Lighting	-	0.01990	0.00203	0.02193	59.53	0.00	0.02283	0.00233	0.02515	68.27

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts

56.04866
1.4081633

	1	2	3	4	5	6	7	8	9
Line	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
No.		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	443,366,553	168,462,755	270,058,251	4,845,547
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 8 - Revised 2015 Test Year Cost of Service for Rate Setting
Page 14 of 109

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9
Line No.	Rate Class	Before Deficit and Revenue Credit Allocation				After Deficit and Revenue Credit Allocation			
		Total ($)	Demand ($)	Energy ($)	Customer ($)	Total ($)	Demand ($)	Energy ($)	Customer ($)
	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**				

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total Demand, Energy & Customer Amounts

	1	2	3	4	5	6	7	8	9
Line No.	Rate Class	Before Deficit and Revenue Credit Allocation Total ($)	Demand ($)	Energy ($)	Customer ($)	After Deficit and Revenue Credit Allocation 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	237,983	51,207	5,009	181,767
12	1.1A Domestic All Electric	10,576,239	5,724,952	640,216	4,211,071	12,129,271	6,565,613	734,227	4,829,431
13	**Subtotal Domestic**	**10,783,750**	**5,769,602**	**644,584**	**4,369,564**	**12,367,254**	**6,616,820**	**739,235**	**5,011,199**
14	2.1 General Service 0-10 kW	359,155	92,979	13,603	252,573	411,894	106,632	15,600	289,662
15	2.2 General Service 10-100 kW	1,802,080	1,189,995	152,139	459,946	2,066,700	1,364,736	174,480	527,485
16	2.3 General Service 110-1,000 kVa	2,263,299	1,894,424	235,544	133,330	2,595,645	2,172,605	270,132	152,909
17	2.4 General Service Over 1,000 kVa	2,064,325	1,775,216	284,293	4,816	2,367,454	2,035,892	326,039	5,523
18	4.1 Street and Area Lighting	314,207	35,566	3,630	275,011	360,346	40,789	4,163	315,394
19	**Subtotal Rural**	**17,586,817**	**10,757,783**	**1,333,792**	**5,495,241**	**20,169,294**	**12,337,474**	**1,529,649**	**6,302,171**
20	**Total Labrador Interconnected**	**22,824,593**	**15,975,836**	**1,353,446**	**5,495,311**	**25,407,070**	**17,555,526**	**1,549,302**	**6,302,242**

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills

394

	1	2	3	4	5
		Units			
Line No.	Rate Class	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**

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills

	1	2	3	4	5
		Units			
Line No.	Rate Class	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**

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Demands, Sales, & Number of Bills

	1	2	3	4	5
		Units			
Line No.	Rate Class	Billing Demands (kW)	Sales (MWh)	Customers	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.	Description (1)	Amount (2)	Source (3)
	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	$443,366,553	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	$ 371,536,821	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:**	$ 62,552,343	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)**	**22.26**	Ln 11 + Ln 12 / Ln 13
	Energy (Second Block):		
15	Total Revenue Requirement	$443,366,553	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	62,552,343	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

	1	2	3
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)	92.78	Ln 2 / Ln 3
5	NP thermal generation capacity credit (kW)	33,386	(1)
6	Gross value of credit to NP ($)	3,097,553	Ln 4 x Ln 5
7	Less NP's cost share:		
8	Percentage	88.85%	Sch 3.1A, C. 5, Ln 14
9	Amount ($)	(2,752,304)	Ln 6 x Ln 8
10	Net value of credit to NP ($)	345,249	Ln 6 - Ln 9

(1) NP gas turbine and diesel generation capacity (kW)	37,826
÷ System reserve	1.13
NP thermal generation capacity credit (kW)	33,386

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		

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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Revenue Requirement

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
				Production and		Rural Prod &	Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
	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

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

	1	19	20	21
		Revenue Related		
Line No.	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	

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

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &		Primary Lines		Line Transformers		Secondary Lines						Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations							Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	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	Subttl 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

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 Description	19 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	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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Net Book Value

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &		Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations											Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Operating & Maintenance Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &		Primary Lines		Line Transformers		Secondary Lines						Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations							Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	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	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

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Operating & Maintenance Expense (CONT'D.)

Line No.	1 Description	19 Revenue Related Municipal Tax	20 Revenue Related PUB Assessment	21 Basis of Functional Classification
	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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Depreciation Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
				Production and		Rural Prod &	Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	Subttl 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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Functional Classification of Rate Base

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Rural Prod & Transmission Demand ($)	7 Distribution Substations Demand ($)	8 Distribution Primary Lines Demand ($)	9 Distribution Primary Lines Customer ($)	10 Distribution Line Transformers Demand ($)	11 Distribution Line Transformers Customer ($)	12 Distribution Secondary Lines Demand ($)	13 Distribution Secondary Lines Customer ($)	14 Distribution Services Customer ($)	15 Distribution Meters Customer ($)	16 Distribution Street Lighting Customer ($)	17 Accounting Customer ($)	18 Specifically Assigned 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

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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Basis of Allocation to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &		Primary Lines		Line Transformers		Secondary Lines						Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations							Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
			(1 CP kW)	(MWh @ Gen)	(CP kW)	(CP kW)	(CP kW)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(CP kW)	(Rural Cust)	(Wtd Rural Cust)			(Rural Cust)	
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

	1	19	20
		Revenue Related	
Line No.	Description	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &												Specifically
Line		Total	Production	Transmission	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Demand	Customer	Demand	Customer	Demand	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

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	19	20
		Revenue Related	
Line		Municipal	PUB
No.	Description	Tax	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	-	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
							Distribution											
				Production and		Rural Prod &		Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Specifically Assigned
Line No.	Description	Total Amount	Production Demand	Transmission Energy	Transmission Demand	Transmission Demand	Substations Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
	Total Revenue Requiremt	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
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

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Interconnected
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	19	20	
		Revenue Related		
Line		Municipal	PUB	
No.	Description	Tax	Assessment	Basis of Proration
	Total Revenue Requiremt	($)	($)	
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	-	-	

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 (1)	Total Amount ($) (2)	OM&A Transmission Lines ($) (Plant) (3)	OM&A Transmission Terminals ($) (Plant) (4)	OM&A Administrative & General ($) (C3 & C4) (5)	OM&A Other ($) (C3 & C4) (6)	Depreciation Transmission Lines ($) (Direct) (7)	Depreciation Transmission Terminals ($) (Direct) (8)	Depreciation Telecontrol & Feasibility Study ($) (Direct) (9)	Depreciation General ($) (Exp C3,4,6) (10)	Expense Credits Rental Income ($) (Plant) (11)	Expense Credits Other ($) (C6) (12)	Gains/Losses ($) (NBV) (13)	Subtotal Excluding Return ($) (14)	Return on Debt ($) (NBV) (15)	Return on Equity ($) (NBV) (16)	Subtotal Excl Rev Related ($) (17)	Revenue Related ($) (18)
	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	-	-
10	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Revenue Requirement

Line No.	Description	Total Amount ($)	Production Demand ($)	Production and Transmission Energy ($)	Transmission Demand ($)	Distribution: Substations Demand ($)	Primary Lines Demand ($)	Primary Lines Customer ($)	Line Transformers Demand ($)	Line Transformers Customer ($)	Secondary Lines Demand ($)	Secondary Lines Customer ($)	Services Customer ($)	Meters Customer ($)	Street Lighting Customer ($)	Accounting Customer ($)	Specifically Assigned Customer ($)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Revenue Requirement (CONT'D.)

	1	18	19	20
		Revenue Related		
Line		Municipal	PUB	
No.	Description	Tax	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	

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

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and			Primary Lines		Line Transformers		Secondary Lines						Specifically
Line		Total	Production	Transmission	Transmission	Substations							Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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 Acctng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-

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 (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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
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 Distribution: Substations Demand ($)	7 Distribution: Primary Lines Demand ($)	8 Distribution: Primary Lines Customer ($)	9 Distribution: Line Transformers Demand ($)	10 Distribution: Line Transformers Customer ($)	11 Distribution: Secondary Lines Demand ($)	12 Distribution: Secondary Lines Customer ($)	13 Distribution: Services Customer ($)	14 Distribution: Meters Customer ($)	15 Distribution: Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Operating & Maintenance Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

	1	18	19	20
		Revenue Related		
Line		Municipal	PUB	
No.	Description	Tax	Assessment	Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L6
2	Other	-		Production - Demand, Energy ratios Sch.4.1 L6
3	Subtotal Production	-	-	
	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	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
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.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	39,247	2,033	
24	Total Operating & Maintenance Expenses	39,247	2,033	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Depreciation Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and			Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Specifically
Line		Total	Production	Transmission	Transmission	Substations											Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Rate Base

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Functional Classification of Rate Base (CONT'D.)

Line No.	1 Description	18 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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Basis of Allocation to Classes of Service

Line No.	1 Description	2 Total Amount	3 Production Demand (CP kW)	4 Production and Transmission Energy (MWh @ Gen)	5 Transmission Demand (CP kW)	6 Distribution Substations Demand (CP kW)	7 Primary Lines Demand (CP kW)	8 Primary Lines Customer (Rural Cust)	9 Line Transformers Demand (CP kW)	10 Line Transformers Customer (Rural Cust)	11 Secondary Lines Demand (CP kW)	12 Secondary Lines Customer (Rural Cust)	13 Services Customer (Wtd Rural Cust)	14 Meters Customer (Wtd Rural Cust)	15 Street Lighting Customer (Rural Cust)	16 Accounting Customer (Rural Cust)	17 Specifically Assigned Customer
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Basis of Allocation to Classes of Service (CONT'D.)

	1	18	19
		Revenue Related	
Line No.	Description	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution: Substations Demand ($)	7 Distribution: Primary Lines Demand ($)	8 Distribution: Primary Lines Customer ($)	9 Distribution: Line Transformers Demand ($)	10 Distribution: Line Transformers Customer ($)	11 Distribution: Secondary Lines Demand ($)	12 Distribution: Secondary Lines Customer ($)	13 Distribution: Services Customer ($)	14 Distribution: Meters Customer ($)	15 Distribution: Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	18	19	
		Revenue Related		
Line No.	Description	Municipal Tax ($)	PUB Assessment ($)	Basis of Proration
	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	-	-	

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.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Island Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	18	19	
		Revenue Related		
Line No.	Description	Municipal Tax ($)	PUB Assessment ($)	Basis of Proration
	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	-	-	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Revenue Requirement

Line No.	Description	Total Amount ($)	Production Demand ($)	Production and Transmission Energy ($)	Transmission Demand ($)	Distribution: Substations Demand ($)	Distribution: Primary Lines Demand ($)	Distribution: Primary Lines Customer ($)	Distribution: Line Transformers Demand ($)	Distribution: Line Transformers Customer ($)	Distribution: Secondary Lines Demand ($)	Distribution: Secondary Lines Customer ($)	Distribution: Services Customer ($)	Distribution: Meters Customer ($)	Distribution: Street Lighting Customer ($)	Accounting Customer ($)	Specifically Assigned Customer ($)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	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.)

	1	18	19	20
		Revenue Related		
Line No.	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification
	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	

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	Total Amount ($)	Production Demand ($)	Production and Transmission Energy ($)	Transmission Demand ($)	Distribution: Substations Demand ($)	Distribution: Primary Lines Demand ($)	Distribution: Primary Lines Customer ($)	Distribution: Line Transformers Demand ($)	Distribution: Line Transformers Customer ($)	Distribution: Secondary Lines Demand ($)	Distribution: Secondary Lines Customer ($)	Distribution: Services Customer ($)	Distribution: Meters Customer ($)	Distribution: Street Lighting Customer ($)	Accounting Customer ($)	Specifically Assigned Customer ($)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	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.)

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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
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 Distribution Substations Demand ($)	7 Distribution Primary Lines Demand ($)	8 Distribution Primary Lines Customer ($)	9 Distribution Line Transformers Demand ($)	10 Distribution Line Transformers Customer ($)	11 Distribution Secondary Lines Demand ($)	12 Distribution Secondary Lines Customer ($)	13 Distribution Services Customer ($)	14 Distribution Meters Customer ($)	15 Distribution Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Operating & Maintenance Expense

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution: Substations Demand ($)	7 Distribution: Primary Lines Demand ($)	8 Distribution: Primary Lines Customer ($)	9 Distribution: Line Transformers Demand ($)	10 Distribution: Line Transformers Customer ($)	11 Distribution: Secondary Lines Demand ($)	12 Distribution: Secondary Lines Customer ($)	13 Distribution: Services Customer ($)	14 Distribution: Meters Customer ($)	15 Distribution: Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Operating & Maintenance Expense (CONT'D.)

	1	18	19	20
		Revenue Related		
Line No.	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L7
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L7
3	Subtotal Production	-	-	
	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	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
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.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	177,937	9,219	
24	Total Operating & Maintenance Expenses	177,937	9,219	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Depreciation Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and													Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Functional Classification of Rate Base

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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.	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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Basis of Allocation to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-	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.)

	1	18	19
		Revenue Related	
Line No.	Description	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service

Line No.	1 Description	2 Total Amount ($)	3 Production Demand ($)	4 Production and Transmission Energy ($)	5 Transmission Demand ($)	6 Distribution: Substations Demand ($)	7 Distribution: Primary Lines Demand ($)	8 Distribution: Primary Lines Customer ($)	9 Distribution: Line Transformers Demand ($)	10 Distribution: Line Transformers Customer ($)	11 Distribution: Secondary Lines Demand ($)	12 Distribution: Secondary Lines Customer ($)	13 Distribution: Services Customer ($)	14 Distribution: Meters Customer ($)	15 Distribution: Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	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	-	-	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Isolated
Allocation of Functionalized Amounts to Classes of Service (CONT'D.)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and			Primary Lines		Line Transformers		Secondary Lines						Specifically
Line		Total	Production	Transmission	Transmission	Substations							Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

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 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	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
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	(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	-	-	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Revenue Requirement

Line No.	Description (1)	Total Amount ($) (2)	Production Demand ($) (3)	Production and Transmission Energy ($) (4)	Transmission Demand ($) (5)	Distribution: Substations Demand ($) (6)	Distribution: Primary Lines Demand ($) (7)	Distribution: Primary Lines Customer ($) (8)	Distribution: Line Transformers Demand ($) (9)	Distribution: Line Transformers Customer ($) (10)	Distribution: Secondary Lines Demand ($) (11)	Distribution: Secondary Lines Customer ($) (12)	Distribution: Services Customer ($) (13)	Distribution: Meters Customer ($) (14)	Distribution: Street Lightin Customer ($) (15)	Accounting Customer ($) (16)	Specifically Assigned Customer ($) (17)
	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.)

	1	18	19	20
		Revenue Related		
Line No.	Description	Municipal Tax ($)	PUB Assessment ($)	Basis of Functional Classification
	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	

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.	Description	Total Amount ($)	Production Demand ($)	Production and Transmission Energy ($)	Transmission Demand ($)	Distribution: Substations Demand ($)	Primary Lines Demand ($)	Primary Lines Customer ($)	Line Transformers Demand ($)	Line Transformers Customer ($)	Secondary Lines Demand ($)	Secondary Lines Customer ($)	Services Customer ($)	Meters Customer ($)	Street Lighting Customer ($)	Accounting Customer ($)	Specifically Assigned Customer ($)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	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.)

	1	18
Line No.	Description	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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
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 Distribution: Substations Demand ($)	7 Distribution: Primary Lines Demand ($)	8 Distribution: Primary Lines Customer ($)	9 Distribution: Line Transformers Demand ($)	10 Distribution: Line Transformers Customer ($)	11 Distribution: Secondary Lines Demand ($)	12 Distribution: Secondary Lines Customer ($)	13 Distribution: Services Customer ($)	14 Distribution: Meters Customer ($)	15 Distribution: Street Lighting Customer ($)	16 Accounting Customer ($)	17 Specifically Assigned Customer ($)
	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	-

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 (1)	Total Amount ($) (2)	Production Demand ($) (3)	Production and Transmission Energy ($) (4)	Transmission Demand ($) (5)	Distribution: Substations Demand ($) (6)	Distribution: Primary Lines Demand ($) (7)	Distribution: Primary Lines Customer ($) (8)	Distribution: Line Transformers Demand ($) (9)	Distribution: Line Transformers Customer ($) (10)	Distribution: Secondary Lines Demand ($) (11)	Distribution: Secondary Lines Customer ($) (12)	Distribution: Services Customer ($) (13)	Distribution: Meters Customer ($) (14)	Distribution: Street Lighting Customer ($) (15)	Accounting Customer ($) (16)	Specifically Assigned Customer ($) (17)
	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Operating & Maintenance Expense (CONT'D.)

	1	18	19	20
		Revenue Related		
Line No.	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification
	Production			
1	Diesel	-	-	Production - Demand, Energy ratios Sch.4.1 L8
2	Other	-	-	Production - Demand, Energy ratios Sch.4.1 L8
3	Subtotal Production	-	-	
	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	-	-	
	Distribution			
8	Other	-	-	Prorated on Distribution Plant, excluding Meters - Sch. 2.2 L. 16, less L. 14
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.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	72,546	3,758	
24	Total Operating & Maintenance Expenses	72,546	3,758	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Depreciation Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lightin	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	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	6,599	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Functional Classification of Rate Base

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	treet Lightin	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	
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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Basis of Allocation to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				Production and		Distribution											Specifically
Line		Total	Production	Transmission	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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)	
	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.)

	1	18	19
		Revenue Related	
Line No.	Description	Municipal Tax (Prior Year (Rural Revenues)	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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
L'Anse au Loup
Allocation of Functionalized Amounts to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and													Specifically
Line		Total	Production	Transmission	Transmsn	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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.)

	1	18	19	
		Revenue Related		
Line No.	Description	Municipal Tax ($)	PUB Assessment ($)	Basis of Proration
	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	-	-	

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.)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											
				Production and													Specifically
Line		Total	Production	Transmission	Transmsn	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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.)

	1	18	19	
		Revenue Related		
Line No.	Description	Municipal Tax ($)	PUB Assessment ($)	Basis of Proration
	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	-	-	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Revenue Requirement

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount ($)	Demand ($)	Energy ($)	Demand ($)	Demand ($)	Demand ($)	Customer ($)	Demand ($)	Customer ($)	Demand ($)	Customer ($)	Customer ($)	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Revenue Requirement (CONT'D.)

	1	18	19	20
		Revenue Related		
Line No.	Description	Municipal Tax	PUB Assessment	Basis of Functional Classification
	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	

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

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	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	-

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.)

	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 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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Net Book Value

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Operating & Maintenance Expense (CONT'D.)

	1	18	19	20
		Revenue Related		
Line No.	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	

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	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	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	Subttl 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	-

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Functional Classification of Rate Base

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	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	-

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	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Basis of Allocation to Classes of Service

Line No.	Description (1)	Total Amount (2)	Production Demand (3)	Production Energy (4)	Transmission Demand (5)	Distribution: Substations Demand (6)	Distribution: Primary Lines Demand (7)	Distribution: Primary Lines Customer (8)	Distribution: Line Transformers Demand (9)	Distribution: Line Transformers Customer (10)	Distribution: Secondary Lines Demand (11)	Distribution: Secondary Lines Customer (12)	Distribution: Services Customer (13)	Distribution: Meters Customer (14)	Distribution: Street Lighting Customer (15)	Accounting Customer (16)	Specifically Assigned Customer (17)
	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	-	-	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																
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																
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	-

NEWFOUNDLAND & LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Basis of Allocation to Classes of Service (CONT'D.)

Line No.		18	19
		Revenue Related	
		Municipal Tax (Prior Year (Rural Revenues)	PUB Assessment (Prior Year (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

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Labrador Interconnected
Allocation of Functionalized Amounts to Classes of Service

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
						Distribution											Specifically
Line		Total	Production	Production	Transmission	Substations	Primary Lines		Line Transformers		Secondary Lines		Services	Meters	Street Lighting	Accounting	Assigned
No.	Description	Amount	Demand	Energy	Demand	Demand	Demand	Customer	Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer	Customer
	Allocated Rev Reqmt Excl Return	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
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	-

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)	Revenue Related: Municipal Tax ($) (18)	Revenue Related: PUB Assessment ($) (19)	Basis of Proration
	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	-	-	

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.	1 Description	2 Total Amount	3 Production Demand	4 Production Energy	5 Transmission Demand	6 Distribution: Substations Demand	7 Distribution: Primary Lines Demand	8 Distribution: Primary Lines Customer	9 Distribution: Line Transformers Demand	10 Distribution: Line Transformers Customer	11 Distribution: Secondary Lines Demand	12 Distribution: Secondary Lines Customer	13 Distribution: Services Customer	14 Distribution: Meters Customer	15 Distribution: Street Lighting Customer	16 Accounting Customer	17 Specifically Assigned Customer
	Total Revenue Requirement	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
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	-

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.	1 Description	18 Revenue Related Municipal Tax ($)	19 Revenue Related PUB Assessment ($)	Basis of Proration
	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	-	-	

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Functionalization & Classification Ratios

Line No.	1 Description	2 Total Amount (%)	3 Production Demand (%)	4 Production & Transmission Energy (%)	5 Transmission Demand (%)	6 Rural Prod & Transmission Demand (%)	7 Distribution Substations Demand (%)	8 Distribution Primary Lines Demand (%)	9 Distribution Primary Lines Customer (%)	10 Distribution Line Transformers Demand (%)	11 Distribution Line Transformers Customer (%)	12 Distribution Secondary Lines Demand (%)	13 Distribution Secondary Lines Customer (%)	14 Distribution Services Customer (%)	15 Distribution Meters Customer (%)	16 Distribution Street Lighting Customer (%)	17 Accounting Customer (%)	18 Specifically Assigned 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%												

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Functionalization & Classification Ratios (CONT'D.)

Line No.	Description	Total Amount (%)	Production Demand (%)	Production & Transmission Energy (%)	Transmission Demand (%)	Rural Prod & Transmission Demand (%)	Distribution: Substations Demand (%)	Distribution: Primary Lines Demand (%)	Distribution: Primary Lines Customer (%)	Distribution: Line Transformers Demand (%)	Distribution: Line Transformers Customer (%)	Distribution: Secondary Lines Demand (%)	Distribution: Secondary Lines Customer (%)	Distribution: Services Customer (%)	Distribution: Meters Customer (%)	Distribution: Street Lighting Customer (%)	Accounting Customer (%)	Specifically Assigned Customer (%)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	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
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%

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%

NEWFOUNDLAND AND LABRADOR HYDRO
2015 Test Year Cost of Service - Rate Setting
Total System
Power Purchases

	1	2	3	4	5	6	7	
Line No.		Total ($)	Production Demand ($)	Production & Transmission Energy ($)	Transmission Demand ($)	Rural Transmission Demand ($)	Distribution Demand ($)	Basis of Functional Classification
	Island Interconnected:							
1	DLP Secondary	-		-				Production - Energy (Same as RSP Sec Load Var)
2	AP Secondary	-		-				Production - Energy (Secondary)
3	Wheeling	693,003				693,003		Rural Transmission
4	Interruptible Demand	2,122,400	2,122,400	-				Production - Demand
5	Interruptible Energy	-		-				Production - Energy
6	Non-utility Generation excluding wind	42,562,239	19,120,793	23,441,445				Energy: System Load Factor
7	Wind Purchases	12,732,178		12,732,178				Production - Energy
8	**Subtotal**	**58,109,820**	**21,243,193**	**36,173,623**	**-**	**693,003**	**-**	
	Labrador Interconnected:							
9	CF(L)Co	1,856,851	542,700	1,314,151				Energy: System Load Factor
10	Other	-					-	
11	**Subtotal**	**1,856,851**	**542,700**	**1,314,151**	**-**	**-**	**-**	
	Isolated Systems:							
12	Mary's Harbour	-		-				Production - Energy
13	L'Anse au Loup	2,657,696		2,657,696				Production - Energy
14	Ramea Wind	202,500		202,500				Production - Energy
15	**Subtotal**	**2,860,196**	**0**	**2,860,196**	**0**	**0**	**0**	
16	**Total**	**62,826,867**	**21,785,893**	**40,347,970**	**-**	**693,003**	**-**	

Compliance Rates Application - Exhibit 9

Schedule of Rates, Rules and Regulations

May 2017

A Report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

a nalcor energy company

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 []. The computation of the adjustment to reflect the Curtailable Credit is provided in the definitions below. [].

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 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.

"Curtailable Credit" is determined based upon NP's forecast curtailable load available for the period in accordance with the terms and conditions set forth in NP's Curtailable Service Option. NP will notify Hydro of its available curtailable load with its forecast of annual and monthly electricity requirements.

In order to receive the Curtailable Credit, NP must demonstrate the capability to curtail its customer load requirements to the level of the Curtailable 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 Curtailable 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 Curtailment 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 Curtailable 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 Curtailment Credit will established based upon the lesser of the load reduction achieved in the test or the forecast curtailable 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 Curtailable Credit.

The Curtailable Credit reflected in the Minimum Billing Demand will be set to equal the curtailable 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.

"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 250,000,000 kilowatt-hours*..@ 2.226 ¢ 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 - Normal.......................@ (0.132) ¢ per kWh
Current Plan Mitigation Adjustment..@ (0.911) ¢ per kWh

Current Plan - Total...........................@ (1.043) ¢ per kWh
Fuel Rider .... @ 0.672 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours.................................. @ (0.371) ¢ per kWh

CDM Cost Recovery Adjustment.. @ 0.019 ¢ 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.

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 .... @ 0.625 ¢ per kWh

Total RSP Adjustment – All kilowatt-hours .... @ 0.252 ¢ per kWh**

CDM Cost Recovery Adjustment...@ 0.009 ¢ 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.

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:

$$(I - J) \times \{(D \div C) - K\}$$

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) x 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) x 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.

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. The RSP balances shall be adjusted by other amounts as ordered by the Board. 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:

$$[\{(S + T) \times U\} - V] \times W$$

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) ($US []/bbl) for the following July to June
V = average Test Year Cost of Service purchase price for No. 6 Fuel ($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.

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.

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.

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.

<u>**NEWFOUNDLAND AND LABRADOR HYDRO**</u>

<u>**CONSERVATION AND DEMAND MANAGEMENT COST RECOVERY**</u>

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).

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 firmed-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.

(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

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.

(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).

(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.

(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.

(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.

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.

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.

(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, wilfilly, 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

(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.

(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.

(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.

(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.

(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: .... $7.08 per month

Energy Charge:
All kilowatt-hours .... @ 3.251¢ per kWh

Minimum Monthly Charge.. $7.08

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 .... $6.40 per month
Single Phase .... $10.36 per month
Three Phase .... $16.30 per month

Energy Charge:
All kilowatt-hours .... @ 5.086 ¢ per kWh

Minimum Monthly Charge:
Unmetered $6.40
Single Phase $10.36

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... $6.40 per month
Single Phase .... $10.36 per month
Three Phase .... $16.30 per month

Demand Charge:

The maximum demand registered on the meter in the current month ..... @ $1.76 per kW

Energy Charge:

All kilowatt-hours.. @ 2.414 ¢ 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 .... @ $1.97 per kVA

Energy Charge:
All kilowatt-hours... @ 2.088 ¢ 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 ..... @ $1.71 per kVA

Energy Charge:
All kilowatt-hours .... @ 1.723¢ 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 VAPOUR[1]	
250W (9,400 lumens)	$15.41
HIGH PRESSURE SODIUM [2]	
100W (8,600 lumens)	11.41
150W (14,400 lumens)	15.41
250W (23,200 lumens)	20.31
400W (45,000 lumens)	26.25

[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 ....$ 3.88

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)	$ 4.68

Special poles used exclusively for lighting service

Wood ....$ 3.88

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 19^{th} 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 – TRANMISSION

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.**