

1 Q. **Regulatory Compound & Rate Increase**

2 References:

3 (i) NLH 2017 GRA, Evidence, chapters 1 & 5, pages 1.7 & 5.16, tables 1-1
4 & 5-2

5 (iii) NLH 2017 GRA, Evidence, chapter 5, page 5.1

6 (iv) NLH 2017 GRA, Evidence, chapter 5, page 5.14, table 5-1

7 (v) NLH 2017 GRA, Evidence, chapter 5, page 5.34

Table 1-1 Proposed Average Interim and Final Rate Changes by Customer Class (%)⁷

Customer Class	Interim 2018 TY Increase Relative to July 1, 2017 Rates	2019 TY Increase Relative to January 1, 2018 Interim Rates
Newfoundland Power – Wholesale	9.7	9.4
Newfoundland Power – Retail	6.6	6.4
Island Industrial	6.2	7.2
Labrador Interconnected	5.9	6.5
Labrador Industrial Transmission	15.0	28.5 ⁸
Hydro Rural Government Diesel	9.0	12.7
Hydro Rural Other ⁹	6.6	6.4

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9 (i)

10 (ii) « On the Labrador Interconnected System, Hydro serves approximately
11 11,200 Rural Customers and two Industrial Customers: the Iron Ore
12 Company of Canada (IOC) and the Wabush Mines facility.»

Table 5-1 Required Increase in Customer Billings to Recover Revenue Requirement¹⁶

Customer Class	2018 TY Increase Relative to July 1, 2017 Rates		2019 TY Increase Relative to July 1, 2017 Rates	
	\$ million	%	\$ million	%
Newfoundland Power	58.2	14.1	72.0	17.4
Island Industrial	3.8	9.6	4.8	11.9
Rural Labrador Interconnected	1.4	7.1	2.4	11.6
Labrador Industrial Transmission	0.9	19.7	2.1	44.9
Hydro Rural Government Diesel	0.2	10.4	0.5	22.0
Hydro Rural Other ¹⁷	5.7	9.6	6.9	11.8
Total	70.0		88.6	

1 (i) « Hydro has two mining facilities served on the Labrador Industrial rates,
2 IOC and Wabush Mines. IOC's Power on Order is forecast to be 245.0 MW
3 for 2018. Wabush Mines is currently not operational but still using a
4 minimal amount of demand. »

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6 Confirm that the billing of the Development Energy Block rate is increased by
7 transmission line losses at a rate of 7.05% from CF(L)Co to the Wabush substation,
8 consistent with the approach determined by this Board? Please provide the detailed
9 calculation of such transmission losses.

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12 A. Pursuant to subsection 5.8(2) of the *Electrical Power Control Act, 1994*, the *Public*
13 *Utilities Act* does not apply to electricity rates for Industrial Customers in Labrador,
14 other than for transmission components of those rates. Therefore, the
15 Development Block energy rate is outside the scope of Hydro's 2017 General Rate
16 Application.