

1 Q. LAB-NLH-76: Re: CA-NLH-050, Attachment 1; NP-NLH-115, Attachment 1.

2

3 **Preamble 1:**

4 NP-NLH-115, Attachment 1 estimates the balance of the Off-Island Supply Deferral
5 Account in 2018, 2019 and 2020. It calculates the fuel consumption savings in 2018
6 and 2019 at \$47,141,000 and \$104,971,000, respectively.

7 It estimates off-island purchase costs in 2018 and 2019 at \$1,016,000 and
8 \$1,680,000 respectively.

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10 And it estimates OpEx for LIL/LTA in 2018 and 2019 at \$27,300,000 and
11 \$52,900,000, respectively.

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13 **Preamble 2:**

14 CA-NLH-050, Attachment 1 estimates the return on equity under existing rates with
15 and without the Off-Island Supply Deferral Account.

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17 The “Fuels” expense is shown as \$47,141,000 for 2018 (the same figure as in
18 Preamble 1), but \$77,366,000 in 2019.

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20 The “LIL/LTA Transmission Costs” are shown to be \$27,300,000 and \$52,900,000 in
21 2018 and 2019, respectively (the same figures as seen in Preamble 1).

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23 The Power Purchase amounts are the same as the off-island purchases costs in
24 Preamble 1.

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26 a) Please confirm that Preambles 1 and 2 correctly describe the tables presented
27 by Hydro.

1 b) Please identify the source for the values used for “OpEx for LIL/LTA” in Preamble
2 1 and for “LIL/LTA transmission cost” in Preamble 2.

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4 c) Please explain why the “OpEx for LIL/LTA” in Preamble 1 in 2019 is different
5 from the LIL/LTA transmission cost for 2019 in Preamble 2.

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7 d) Please confirm that CA-NLH-050, Attachment 1 demonstrates that, without the
8 Off-Island Supply Deferral Account, the required rate increases would be
9 substantially lower than those requested in the GRA.

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11 e) Please specify the percent rate increase that would be required in the absence
12 of the Off-Island Supply Deferral Account.

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15 A. a) Preamble 1:

16 Hydro’s response to NP-NLH-115, as refiled, calculates fuel consumption savings
17 in 2018 and 2019 at \$40,454,000 and \$ 129,934,000, respectively. It also
18 estimates off-island purchase costs in 2018 and 2019 at \$886,000 and
19 \$1,946,000 respectively. Hydro confirms the remainder of Preamble 1.

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21 Preamble 2:

22 It is confirmed, Hydro’s response to CA-NLH-050, Attachment 1 estimates the
23 return on equity under existing rates with and without the Off-Island Supply
24 Deferral Account.

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26 Hydro’s Response to CA-NLH-050 has a different fuel price for 2019 than
27 Hydro’s response to NP-NLH-115 because under existing rates, the 2015 Test

1 Year fuel price of \$64.41 per barrel would remain in effect. Hydro confirms the
2 remainder of Preamble 2.

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4 b) As stated in Preamble 2, the *“OpEx for LIL/LTA”* and the *“LIL/LTA transmission*
5 *costs”* are, in fact, the same costs as provided by Nalcor Power Supply.

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7 c) As stated in Preamble 2 and part b above, there is no difference between the
8 *“OpEx for LIL/LTA”* in Preamble 1 and the *“LIL/LTA transmission costs”* in
9 Preamble 2.

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11 d) Please refer to Hydro’s response to CA-NLH-025.

12

13 e) Please refer to Hydro’s response to CA-NLH-025.