

1 Q. **Volume III (3rd Revision), Exhibit 15: 2019 Test Year Cost of Service Study**

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3 Please explain why, in the Excel model provided, the sheet “IndexPlt” contains
4 original plant in-service costs for Specifically Assigned Customer (Lines 16-17,
5 Column 18), rather than indexed costs. If corrections are required, please update
6 the evidence and responses to Requests for Information, as appropriate. (Volume
7 III (3rd Revision), Exhibit 15: 2019 Test Year Cost of Service Study)

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10 A. The “IndexPlt” tab in the 2019 Test Year model should have included indexed costs
11 for Lines 16-17, Column 18). Please refer to NP-NLH-261, Attachment 1, Table 1 for
12 a summary of the impacts of the cost of service revisions in conjunction with the
13 following items:

- 14 a. indexed plant adjustment revisions resulting from a correction of the error
15 noted in the request for information (NP-NLH-261, Attachment 1, Table 1,
16 Column 3);
- 17 b. asset coding changes from specifically assigned to common for disconnects
18 associated with five ring bus breaker upgrades (NP-NLH-261, Attachment 1,
19 Table 1, Column 5);
- 20 c. coding changes associated with contributions in aid of construction associated
21 with the integration of Muskrat Falls assets being incorrectly credited to Rural
22 assets (NP-NLH-261, Attachment 1, Table 1, Column 7); and
- 23 d. a correction in interconnected system energy losses for 2019 to be consistent
24 with those which are used the forecast of Island Interconnected electricity
25 requirements provided in Schedule 3-I, Page 1 of 1 (NP-NLH-261, Attachment 1,
26 Table 1, Column 9).

1 NP-NLH-261, Attachment 1, Table 2 provides an overall summary of the revenue
2 requirement impacts by customer class.

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4 These revisions are reflected in the revised 2019 Test Year Cost of Service Study
5 included as Exhibit 15 of Hydro's 2017 General Rate Application (Revision 4, filed
6 November 27, 2017).

Table 1
Newfoundland and Labrador Hydro
Summary of Modifications to the 2019 Test Year Cost of Service Study

	1	2	3	4	5	6	7	8	9	10
Cost of Service Before Deficit and Revenue Credit Allocation										
Line No.	Rate Class	As Filed 27-Oct-17 (\$)	Handy Whitman Adjustment (\$)	Adjusted (\$)	Specifically Assigned Changes (\$)	Adjusted (\$)	CIAC Changes (\$)	Adjusted (\$)	Island System Losses (\$)	As Filed 23-Nov-17 (\$)
Total System										
1	Newfoundland Power	475,726	(81)	475,645	12	475,657	(600)	475,057	47	475,104
2	Island Industrial	49,762	111	49,873	(14)	49,859	(40)	49,819	(46)	49,774
3	Labrador Industrial	6,860	-	6,860	-	6,860	-	6,860	-	6,860
4	Rural Labrador Interconnected	19,649	-	19,649	-	19,649	3	19,652	-	19,652
5	Rural Island Interconnected	77,151	(30)	77,121	2	77,123	636	77,759	(2)	77,758
6	Rural Isolated	63,591	-	63,591	-	63,591	1	63,592	-	63,592
7	Total	692,739	-	692,739	-	692,739	-	692,739	-	692,739

Table 2
Newfoundland and Labrador Hydro
Summary of Modifications to the 2019 Test Year Cost of Service Study

	1	2	3	4	5	6	7	8
		As Filed Oct 27, 2017			As Filed Nov 23, 2017			
Line No.	Rate Class	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Requirement After Deficit and Revenue Credit Allocation	Revenue Requirement After Deficit and Revenue Credit Allocation	Cost of Service Before Deficit and Revenue Credit Allocation	Revenue Requirement After Deficit and Revenue Credit Allocation	Revenue Requirement After Deficit and Revenue Credit Allocation	Difference
	Total System							
1	Newfoundland Power	475,726	69,701	545,428	475,104	70,281	545,385	(43)
1	Island Industrial	49,762	-	49,762	49,774	-	49,774	12
2	Labrador Industrial	6,860	-	6,860	6,860	-	6,860	-
3	Rural Labrador Interconnected	19,649	2,879	22,527	19,652	2,907	22,559	31
4	Rural Island Interconnected	77,151	(23,624)	53,527	77,758	(24,231)	53,527	-
5	Rural Isolated	63,591	(48,956)	14,635	63,592	(48,957)	14,635	-
6	Total	692,739	-	692,739	692,739	-	692,739	0