

- 1 Q. **2018 Cost Deferral and Interim Rates Evidence - Revision 2, November 14, 2018**
 2 Evidence, Schedule 1, page 18 of 81, lines 26-27 - Provide the impacts on the 2019
 3 revenue deficiency and on customer rates if the date for implementation of new
 4 rates is (i) September 1, 2019 and (ii) October 1, 2019 and not July 1, 2019.
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 7 A. Given the reference provided in the question, Hydro has updated the information
 8 on customer rate impacts provided in Table 7 of the Evidence. Please see Tables 1
 9 and 2 for the requested information, excluding Rate Stabilization Plan (“RSP”)
 10 impacts.

Table 1: Customer Rate Impacts: Increase in Customer Billings (\$ millions)

Customer Class	July 1, 2019	September 1, 2019	October 1, 2019
Newfoundland Power ¹	28.8	30.9	32.2
Island Industrial	1.9	1.9	1.9
Rural Labrador Interconnected	(0.56)	(0.59)	(0.61)
Labrador Industrial Transmission	0.98	1.04	1.07
Hydro Rural Government Diesel	0.44	0.47	0.48
Hydro Rural Other ²	2.5	2.7	2.8

- 11 The information provided in Table 1 assumes no change in the amortization period
 12 for recovery of revenue deficiency (i.e., 20 months for the Island Interconnected
 13 System and 24 months for the Labrador Interconnected System) and no change in
 14 the amortization period for the recovery of deferred supply costs from customers
 15 on the Island Interconnected System (i.e., 20 months).

¹ Customer rates are required to be updated each July 1 as a result of the operation of the RSP. The July 2019 customer rate impact of the RSP will not be known until Hydro’s filing in May 2019.

² Includes Hydro Rural Isolated and Hydro Rural Interconnected, but excludes Hydro Rural Government Diesel. Hydro assumed Hydro Rural Other customers will receive the same rate increase as Newfoundland Power’s retail customer, which is approximately 64% of Newfoundland Power’s wholesale rate increase.

- 1 Table 2 provides the customer rate impacts provided in Table 1 expressed on a percentage
- 2 basis.

Table 2: Customer Rate Impacts (%)

Customer Class	July 1, 2019	September 1, 2019	October 1, 2019
Newfoundland Power ¹	6.3%	6.7%	7.0%
Island Industrial	4.6%	4.6%	4.6%
Rural Labrador Interconnected	-2.6%	-2.7%	-2.8%
Labrador Industrial Transmission	20.2%	21.4%	22.1%
Hydro Rural Government Diesel	21.4%	22.5%	23.0%
Hydro Rural Other ²	4.0%	4.3%	4.5%