

1 Q. Reference page 8, lines 4-6, Labrador Interconnected System Network Additions Policy –  
2 Summary Report.

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4 Please provide the calculation used to derive the \$250 figure.

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7 A. The Demand Revenue Credit per kW referenced in the “Labrador Interconnected System  
8 Network Additions Policy Summary Report,” Sec. 2.3.4, at p.8/4-6 is calculated as the  
9 present value of the forecast demand revenues to be paid by Labrador Industrial Customers  
10 resulting from the increased demand requirements of the Industrial Customer.<sup>1</sup> The  
11 Demand Revenue Credit per kW assumes an Industrial Customer has a service life of 25  
12 years. Please refer to PUB-NLH-062, Attachment 1, provided as an Excel file, for the  
13 detailed calculations.

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<sup>1</sup> The proposed credit is calculated based on the proposed Labrador Industrial Transmission Demand Charge of \$1.38 per kW per month reflected in Newfoundland and Labrador Hydro’s “2018 Cost Deferral and Interim Rates Application.” If the Board approves a different rate in the Final 2017 General Rate Application Order, Newfoundland and Labrador Hydro proposes to calculate a revised credit.