

1 Q. **Reference: 2018 Utility Customer Interim Rates Application; GRA, Exhibit 14,**
2 **Schedule 1.1, page 1 of 2; Re: LAB-NLH-085, rev. 1 (page 3 of 4)**

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4 Citation: LAB-NLH-085, rev. 1 (page 3 of 4)

5 Hydro forecasts the annual charges to Hydro based on the approved Network
6 Service tariffs to be \$69.1 million in 2018 and \$98.7 million in 2019.

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8 Preamble:

9 Exhibit 14, Schedule 1.1 indicates that Hydro's total expenses for 2018, net of
10 expense credits, equal \$543,396,001 (row 22, col. 2).

11

12 Exhibit 14, Schedule 1.1 indicates that Hydro's expenses for the Labrador
13 Interconnected System for 2018, net of expense credits, equal \$17,441,212 (row
14 22, col. 7).

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16 This schedule does not include a line item for payment of the NLSO transmission
17 tariff.

18

19 a) Have the expense categories of Schedule 1.1 of Exhibits 14 and 15 have not
20 been updated in the Utility Customer Interim Rate Application? If it has, please
21 indicate where.

22

23 b) Please indicate whether or not Hydro's expenses (net of expense credits) shown
24 in Schedule 1.1 include the payment of the NLSO transmission tariff, estimated
25 at \$69.1 million in 2018.

- 1 c) If not, please explain why these expenses are not included in the cost of service
2 study.
3
- 4 d) Please indicate how the values of \$69.1 million for 2018 and \$98.7 million for
5 2019 were calculated, and provide detailed worksheets in support of these
6 values.
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- 9 A. a) The expense categories of Schedule 1.1 of Exhibits 14 and 15 have not been
10 revised in preparing the 2018 Utility Customer Interim Rates Application. For
11 the purpose of assessing the proposed cost recovery under the proposed
12 interim Utility Rate, Hydro has provided estimated test year revenue
13 requirements from Newfoundland Power based on the updated fuel price
14 forecast.¹
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- 16 b & c) Please refer to Hydro's response to LAB-NLH-085(a).
17
- 18 d) The \$69.1 million for 2018 and \$98.7 million for 2019 were calculated by
19 multiplying Hydro's forecast Network Integrated peak load requirements by the
20 approved Network Integration Transmission Service tariff rate. The detailed
21 worksheets are not relevant to the Utility Customer Interim Rates Application.

¹ Please refer to Appendix B of Schedule 1 to the 2018 Utility Customer Interim Rates Application.