

**From:** auburnwarren@nalcenergy.com  
**Sent:** Monday, September 28, 2015 2:54 PM  
**To:** koneill@nlh.nl.ca  
**Cc:** Dave Jones; Dawn Dalley; Deanne Fisher; Karen O'Neill; Ed Martin; Derrick Sturge; Morris, Paul J.; Bown, Charles; Martin, Craig; James Meaney  
**Subject:** Re: Rates/Bills Data - DG3 vs 2014 vs Now  
**Attachments:** Impact of LCP Revenue Requirement Changes Sept cost update.pdf


Please find below updated version to reflect the estimated impact of the final afe of \$7.653 billion



update.pdf

Impact of LCP Revenue Requirement Changes Sept cost

Auburn

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Auburn Warren---09/28/2015 11:39:46 AM---Good morning, Just wanted to get everyone on the same page as number of questions have been raised o

From: Auburn Warren/NLHydro

To: Karen O'Neill/NLHydro@NLHydro

Cc: Dave Jones/NLHydro@NLHYDRO, Dawn Dalley/NLHydro@NLHYDRO, Deanne Fisher/NLHydro@NLHYDRO, "Karen O'Neill" <kareneoneill72@gmail.com>, Ed Martin/NLHydro@NLHydro, Derrick Sturge/NLHydro@NLHydro, "Morris, Paul J." <pmorris@gov.nl.ca>, "Bown, Charles" <cbown@gov.nl.ca>, "Martin, Craig" <CMartin@gov.nl.ca>, James Meaney/NLHydro@NLHYDRO

Date: 09/28/2015 11:39 AM

Subject: Rates/Bills Data - DG3 vs 2014 vs Now

Good morning,

Just wanted to get everyone on the same page as number of questions have been raised on rates/bills...

One question was what was reflected in the LCP cost change lines (16 + 6) - this reflects changes to all costs related to LCP (facilities capex, soft costs, financing costs, schedule changes). What's reflected below in "other changes" is changes to NLH opex, capex, losses, load forecast, etc.

YR2021

- 241 DG3 Bills
- 16 Domestic impact of LCP cost change (2014 vs DG3)
- 6 Domestic impact of LCP cost change (2015 vs 2014)

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- 265 Restated Domestic Rates (LCP changes only)
- 9 Impact of Other changes

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- 274 Sub-total
- 27 Tax (HST & rebate incremental changes)

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- 299 Currect forecast bills

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Paul Morris also asked how much it would cost government to subsidize rate payers and to make up the LCP cost change impacts (16 + 6 above) - and this remains the \$9 billion nominal between 2019 - 2067 - this is consistent / similar with data previously presented under Rate Smoothing Options deck (in the deck it was Option #3).

Also as previously noted, the rates / bills PDF sent last week reflected a preliminary AFE of \$7.553 billion. Last week we received the final AFE of \$7.653 billion and we continue to work the numbers. However we have calculated the high level impact this incremental \$100 million would have on rates as approximately \$3 - so the \$6 above goes to ~\$8-9. Our team is working on updating the PDF file to show this change by year and I am hoping to get this out to htis group in next half hour.

Thanks!

Auburn



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<b>Domestic Rate (¢ per kWh)</b>									
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
DG3 Rates	15.2	15.9	16.1	16.1	15.9	16.1	16.0	16.0	16.2
Domestic impact of time change (fuel)	2.3	2.8	-	-	-	-	-	-	-
Domestic impact of LCP cost change (2014 vs DG3)	(3.2)	(2.5)	1.2	1.1	1.0	1.0	1.0	1.0	1.0
Domestic impact of LCP cost change (2015 vs 2014)	-	(0.1)	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Restated Domestic Rates (LCP changes only)	14.3	16.0	17.8	17.6	17.3	17.5	17.5	17.4	17.6
Impact of Other changes	(0.8)	(0.9)	(0.9)	0.3	0.6	0.3	0.7	0.6	0.7
Sub-total	13.5	15.1	16.9	17.9	17.9	17.8	18.2	18.0	18.3
Tax (HST & rebate incremental changes)	1.4	1.6	1.8	1.9	1.9	2.0	1.8	1.9	1.8
Current forecast rates	14.9	16.7	18.7	19.8	19.8	19.8	20.0	19.9	20.1

<b>Average Monthly Island Interconnected Customer Bills (nominal \$; 1517 kWh per month)</b>									
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
DG3 Bills	231	241	244	244	241	244	243	243	246
Domestic impact of time change (fuel)	34	42	-	-	-	-	-	-	-
Domestic impact of LCP cost change (2014 vs DG3)	(48)	(38)	19	16	16	16	15	15	15
Domestic impact of LCP cost change (2015 vs 2014)	-	(2)	8	7	7	7	7	7	6
Restated Domestic Rates (LCP changes only)	217	243	271	267	263	266	265	265	267
Impact of Other changes	(11)	(14)	(13)	5	9	5	10	9	10
Sub-total	206	229	258	272	272	271	275	274	277
Tax (HST & rebate incremental changes)	20	25	26	29	28	29	28	28	28
Current forecast bills	226	253	284	300	300	300	303	302	305