

**DEMANDE DE RENSEIGNEMENTS D'HYDRO-QUÉBEC  
À L'AQCIE/CIFQ**



**1. Références : Preuve de AQCIE/CIFQ 1 , page 5, paragraphe 2**

**Préambule :**

*"However, it is necessary to recognize that the large industrial customers are much more exposed to production and transmission cost increases than residential and small commercial customers. If, for example, production cost increases (associated with exhaustion of the heritage pool) require a production rate increase of 5 percent, small commercial customers would see an increase in current overall electricity rates of about 1.8 percent, but large industrial customers would face an increase of 3.2 percent.<sup>5</sup>*

*<sup>5</sup> These increases could potentially be greater, if the Regie rigidly maintains constant revenue-cost ratios to implement the cross-subsidization mandate in the Act. That is, any increase in allocated production or transmission costs could potentially get a cross-subsidy "adder" effect associated with an effort to retain historical revenue-cost ratios. This potential adder effect increases the exposure of all non-residential rate classes to increases in production and transmission costs."*

**Question 1.1 :**

**Veillez fournir et démontrer quels seraient les taux d'augmentation des tarifs si, selon votre note 5, la Régie maintenait les indices d'interfinancement au niveau de l'an 2002.**

**2. Références : Preuve de AQCIE/CIFQ 1 , page 6, paragraphe 4**

**Préambule :**

*"However, had the full increase applied for the whole year, IEC estimates that the revenue increase would be \$490 million, some \$75 million greater than the revenue requirement. Thus, had HQD developed a test year that is consistent with the timing of the rate increase, namely one beginning at 1 April 2004, its proposed rate increase would likely over-recover the revenue requirement by at least \$75 million."*

**Question 2.1:**

**Comment concilier vous l'hypothèse de "over-recover" de 75 M\$ avec la décision D-2003-93 de la Régie à l'effet que l'année témoin projetée (test year) couvre la période du 1<sup>er</sup> janvier au 31 décembre.**

**3. Références : Preuve de AQCIE/CIFQ 1, page 16, paragraphe 1**

**Préambule :**

*"This example uses "conservative" estimates of price elasticities, meaning values at the relatively low end of the range for price elasticities. In this table, the immediate price impact on demand is assumed to be zero; for the longer term, the price elasticities are estimated at -0.75 for residential and small commercial, -1.0 for medium commercial and -1.25 for large industrial."*

**Question 3.1:**

**Veillez expliquer ce que vous entendez par «conservative estimates»**

**Question 3.2:**

**Veillez produire les références à la base des élasticités prix de long terme mentionnées en préambule.**

**4. Références : Preuve de AQCIE/CIFQ 1 , page 18, paragraphe 4**

**Préambule :**

*"Specifically, to maintain the dollar values in cross-subsidy from 2002 to 2004, the average annualized rate increases at the full 2004 revenue requirement (excluding the Rate BT deficiency) are shown below. The resulting revenue cost ratios are shown in parentheses.*

- Residential: 4.9% (80%)
- Small Commercial: 6.7% (123%)
- Medium Commercial: 4.5% (130%)

- *Large Industrial:* 5.3% (116%)
- *Total:* 5.1% (100%)"

**Question 4.1:**

**Veillez fournir le calcul détaillé du taux de croissance moyen annualisé des tarifs ainsi que des ratios d'interfinancement.**

- 5. Références : Preuve de AQCIE/CIFQ 1, page 21 paragraphe 5; page 22 , paragraphe 1 et 2 et table IEC-6 ( IEC Proposed Rate Increases: Calendar Year 2004 Basis, \$millions)**

**Préambule :**

*"On a per-class basis, to retain the cross-subsidization dollar values from 2002 into 2004 (for the reasons discussed in Section 4.1 above), the following allocation of the rate increase would be necessary (with normalized revenue-cost ratios in parentheses):*

- *Residential:* 0.8% (80%)
- *Small Commercial:* 2.5% (123%)
- *Medium Commercial:* 0.4% (130%)
- *Large Industrial:* 1.1% (116%)
- *Total:* 1.0% (100%) "

**Question 5.1:**

**Veillez fournir le calcul détaillé du taux de croissance moyen annualisé des tarifs ainsi que des ratios d'interfinancement.**

**Question 5.2:**

**Veillez fournir le calcul détaillé des colonnes Percent of Total Revenues, Prop. HQD Index, et Cross Subsidy du tableau IEC-6.**