

1 Q. Provide details of the rate impacts referred to in Mr. Osmond's Prefiled Testimony,  
2 page 2, lines 28 to 31 and page 3, lines 1 to 16.

3

4 A. (A) Newfoundland Power:

5 (1) Fuel at \$28 per barrel:

6 Re: 16% wholesale increase to Newfoundland Power

7

8 2002 revenues at existing rates

9 (net of HST reduction) \$200,369,992

10

11 2002 revenues if \$28 per barrel

12 were used \$233,208,780

13

14 Difference \$ 32,838,788

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16 Percentage Increase over

17 Existing rates 16%

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19 (2) Fuel at \$28 per barrel:

20 Re: 9% increase at end consumer level

21

22 Wholesale increase to Newfoundland

23 Power 16%

24

25 Multiplied By **X**

26

27 Percentage of purchased power, of

28 Newfoundland Power's overall costs 57%

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Percentage increase at the end  
 Consumer level 9%

(3) Re: 5.9% RSP projected wholesale adjustment in 2002

	Existing Rates	2002 Proposed Rates	% Increase
Base Revenues	\$200,369,992	\$213,830,400	6.7%
RSP	\$7,884,996	\$20,670,272	
Total	\$208,254,988	\$234,500,672	12.6%

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The 5.9% increase attributable to the RSP was derived by subtracting the base rate increase of 6.7% from the total increase of 12.6%. This RSP increase is based on the July 1, 2001 RSP rate of 1.77 mills/kWh, projected to increase to 4.64 mills/kWh on July 1, 2002.

(4) Re: 3.4% RSP projected adjustment to end consumers in 2002

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Wholesale RSP increase to Newfoundland  
 Power 5.9%  
 Multiplied By X  
 Percentage of purchased power, of

1 Newfoundland Power's overall costs 57%

2

3 Percentage 2002 RSP increase at the  
4 End consumer level 3.4%

5

6 (B) Industrial Customers

7

8 (1) Fuel at \$28 per barrel:  
9 Re: 23% increase to Industrial Customers

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11 2002 revenues at existing rates \$45,266,225

12

13 2002 revenues if \$28 per  
14 barrel were used \$55,882,521

15

16 Increase \$10,616,296

17

18 Percentage increase over  
19 Existing rates 23%

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21 (2) Re: 7.4% RSP projected increase to Industrial Customers in  
22 2002

23

	Existing Rates	2002 Proposed Rates	% Increase
Base Revenues	\$45,266,225	\$49,965,557	10.4%
RSP	\$4,101,916	\$8,174,533	
Total	\$49,368,141	\$58,140,090	17.8%

24

1 The 7.4% increase attributable to the RSP was derived by  
2 subtracting the base rate increase of 10.4% from the total  
3 increase of 17.8%. This RSP increase is based on the January  
4 1, 2001 RSP rate of 2.80 mills/kWh projected to increase to  
5 5.58 mills/kWh on January 1, 2002.

6

7 (C) Using \$20 per barrel, as proposed in Hydro's evidence for 2002, the  
8 following impacts would take place:

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10 (1) Newfoundland Power:

11

12 Re: 6.7% wholesale increase to Newfoundland Power

13

14 2002 revenues at existing rates \$200,369,992

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16 2002 revenues at proposed rates \$213,830,400

17

18 Increase \$ 13,460,408

19

20 Percentage wholesale increase 6.7%

21

22 (2) Re: 3.7% increase at end consumer level

23

24 2002 Base Revenues @ Proposed

25 2002 Rates \$213,830,400

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27 Less 2002 Base Revenues @

28 Existing Rates \$200,369,992

29 Difference \$13,460,408

1	Divided by existing base revenues	
2	Plus RSP	\$208,254,988
3	Multiplied by	X
4	Effective percentage impact on	
5	Newfoundland Power's overall costs	<u>57%</u>
6	Percentage increase at the end	
7	Consumer level	<u>3.7%</u>
8		
9	(3) <u>Industrial Customers:</u>	
10		
11	<u>Re: 10.4% increase to Industrial Customers</u>	
12		
13	2002 Industrial revenues at	
14	existing rates	\$45,266,225
15		
16	2002 Industrial revenues at	
17	proposed rates	<u>\$49,965,557</u>
18		
19	Increase	\$ <u>4,699,332</u>
20		
21	Percentage increase	<u>10.4%</u>
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