

1 Q. RSP - Reference: NP-202 and IC-73,

2 a) Confirm that NP-202 assumed 2002 COS allocation of the Rural  
3 Deficit in order to allocate Bulk Rural Fuel and Rural Rate Alteration  
4 for 2000 using the methods now proposed for RSP, including no  
5 allocation to Industrial customers. (Page 21).

6 b) Please adjust NP-202 to show the results assuming the 1992 COS  
7 allocation method for the Rural Deficit in order to allocate Bulk Rural  
8 Fuel and Rural Rate Alteration for 2000 as originally adopted in the  
9 2000 COS reports (see IC-73 report for December 2000), including  
10 allocation to the Industrial Customers. Please indicate in detail the  
11 source of the COS report and schedules (see IC-1 reports) used to  
12 develop the relevant Rural Deficit allocation factors.

13 c) Please provide detailed explanation (showing all calculations,  
14 assumptions, data, and sources for data derived from earlier COS  
15 studies) for the customer split allocations in the actual 2000 COS year  
16 to date results as at December 31, 2000 (see IC-73).

17

18 A. RSP - Reference: NP-202 and IC-73,

19 a) NP-202 assumed 2002 COS allocation of the Rural Deficit in order to  
20 allocate Bulk Rural Fuel and Rural Rate Alteration for 2000 using the  
21 methods now proposed for RSP, including no allocation to Industrial  
22 customers.

23 b) and c) Please see attached December 2000 RSP detailed calculations  
24 that show the final customer split allocations. Please see IC-278 for  
25 an example of the monthly calculation.

**Newfoundland and Labrador Hydro  
 Rate Stabilization Plan  
 Dec, 2000  
 Summary Plan Balances (\$)**

	1	2	3	
	Costs	Revenues	Balance	Comments
Newfoundland Power	7,043,962	(952,251)	7,996,213	Costs from Page 3, Revenue from Page 4
Island Industrial	4,218,737	(78,183)	4,296,920	
<b>Subtotal</b>	<b>11,262,699</b>	<b>(1,030,434)</b>	<b>12,293,133</b>	
Plus Labrador Interconnected Allocation	94,680			
<b>Total Annual Activity, Excluding Interest</b>	<b>11,357,379</b>	<b>(1,030,434)</b>	<b>12,293,133</b>	

Newfoundland and Labrador Hydro  
RSP Customer Splits  
2000

Line No.	1 January	2 February	3 March	4 April	5 May	6 June	7 July	8 August	9 September	10 October	11 November	12 December	Source/Comments	
<b>FUEL AND RURAL RATE ALTERATION</b>														
<b>Year-to-Date Activity</b>														
1	YTD Fuel Cost	2,747,833	4,185,687	5,166,020	4,805,374	5,301,641	3,634,784	1,878,977	375,679	834,492	4,078,325	5,559,355	12,237,007	From RSP report
2	Rural Rate Alteration	(91,828)	(192,619)	(291,837)	(385,821)	(471,392)	(556,171)	(611,646)	(658,570)	(705,798)	(750,623)	(816,240)	(879,628)	From RSP report
3	Total to be split	<u>2,656,005</u>	<u>3,993,068</u>	<u>4,874,183</u>	<u>4,419,553</u>	<u>4,830,249</u>	<u>3,078,613</u>	<u>1,267,331</u>	<u>(282,891)</u>	<u>128,694</u>	<u>3,327,702</u>	<u>4,743,115</u>	<u>11,357,379</u>	
<b>Allocation: Fuel and Revised Test Year Costs Before Rural Deficit Allocation</b>														
4	Newfoundland Power	1,085,061	1,937,778	2,354,464	1,866,959	1,934,506	467,789	(640,128)	(2,026,486)	(1,960,462)	375,561	1,098,983	4,882,928	From Page 5, Row 12
5	Industrial	1,474,276	1,790,605	2,074,534	1,976,902	2,154,700	1,789,247	912,155	506,929	647,396	1,175,733	1,606,480	3,380,469	From Page 5, Row 13
6	Bulk Rural	96,667	264,685	445,186	575,691	741,043	821,577	995,304	1,236,666	1,441,760	1,776,407	2,037,651	3,093,982	From Page 5, Row 14
7	Total	<u>2,656,004</u>	<u>3,993,068</u>	<u>4,874,184</u>	<u>4,419,552</u>	<u>4,830,249</u>	<u>3,078,613</u>	<u>1,267,331</u>	<u>(282,891)</u>	<u>128,694</u>	<u>3,327,701</u>	<u>4,743,114</u>	<u>11,357,379</u>	
<b>Allocation: Bulk Rural Fuel and Rural Rate Alteration</b>														
8	Newfoundland Power	(38,398)	84,742	207,190	301,151	411,504	463,213	649,081	830,301	974,150	1,250,083	1,427,847	2,161,034	From Page 5, Row 16
9	Industrial	147,605	191,531	244,787	270,389	318,300	330,032	294,389	328,358	379,977	441,742	519,679	838,268	From Page 5, Row 17
10	Rural Labrador Interconnected	(12,540)	(11,588)	(6,792)	4,151	11,239	28,332	51,834	78,007	87,633	84,582	90,125	94,680	From Page 5, Row 18
11	Total	<u>96,667</u>	<u>264,685</u>	<u>445,185</u>	<u>575,691</u>	<u>741,043</u>	<u>821,577</u>	<u>995,304</u>	<u>1,236,666</u>	<u>1,441,760</u>	<u>1,776,407</u>	<u>2,037,651</u>	<u>3,093,982</u>	
<b>Year-to-Date Customer Balances</b>														
12	Newfoundland Power	1,046,663	2,022,520	2,561,654	2,168,110	2,346,010	931,002	8,953	(1,196,185)	(986,312)	1,625,644	2,526,830	7,043,962	Row 4 + Row 8
13	Industrial	1,621,881	1,982,136	2,319,321	2,247,291	2,473,000	2,119,279	1,206,544	835,287	1,027,373	1,617,475	2,126,159	4,218,737	Row 5 + Row 9
14	Rural Labrador Interconnected	(12,540)	(11,588)	(6,792)	4,151	11,239	28,332	51,834	78,007	87,633	84,582	90,125	94,680	Row 10
15	Total	<u>2,656,004</u>	<u>3,993,068</u>	<u>4,874,183</u>	<u>4,419,552</u>	<u>4,830,249</u>	<u>3,078,613</u>	<u>1,267,331</u>	<u>(282,891)</u>	<u>128,694</u>	<u>3,327,701</u>	<u>4,743,114</u>	<u>11,357,379</u>	

**Newfoundland and Labrador Hydro  
 Rate Stabilization Plan  
 Dec, 2000  
 Revenue Allocation**

	1	2	3	4	5	
	Current Year Sales (MWh)	Test Year Sales (MWh)	Variance (MWh) (Col 1- Col 2)	Energy Rate	Revenue Variation \$ (Col 3 * Col 4* 1000)	Comments
Newfoundland Power	4,263,083.656	4,284,100.000	-21,016.344	0.04531	(952,250.55)	To Page 2, Column 2
Industrial Customers	1,245,157.400	1,249,200.000	-4,042.600	0.01934	(78,183.88)	To Page 2, Column 2
					<u>(1,030,434.43)</u>	

**Newfoundland and Labrador Hydro  
 Rate Stabilization Plan  
 Dec, 2000  
 Cost Allocation**

Line No.	1	2	3			
<b>Costs to be Allocated</b>						
	Production Demand	Production & Transmission Energy	Transmission Demand	Distribution and Accounting Customer Costs	Specifically Assigned Customer Costs	Comments
1	90,639,495	105,335,742	26,860,274	14,415,839	3,216,849	1992 Cost of Service
2	(57,731)	(34,018)	(14,833)	305,331	(2,895)	Reallocation due to revised rural customers
3		12,237,007				2000 RSP activity, excl. Rural Rate Alteration and Load Variation Revenue
4	90,581,764	117,538,731	26,845,441	14,721,170	3,213,954	

<b>Allocation Ratios:</b>						
	1	2	3			
	Generation AED	MWh at Generator	Transmission AED	Customer	Detailed Analysis	Comments
5	0.76273	0.72231	0.76260		0.7033	MWh, Generation and Transmission From Page 6
6	0.15196	0.21188	0.15215		0.2967	MWh, Generation and Transmission From Page 6
7	0.08531	0.06580	0.08525	1.00000		MWh, Generation and Transmission From Page 6
8	1.00000	1.00000	1.00000	1.00000	1.00000	

<b>Allocation: Costs:</b>						
	1	2	3	4	5	
	Production Demand	Production & Transmission Energy	Transmission Demand	Distribution and Accounting Customer Costs	Specifically Assigned Customer Costs	Comments
9	69,089,336	84,899,963	20,472,295	-	2,260,401	Row 4 * Row 5
10	13,764,796	24,904,611	4,084,609	-	953,553	Row 4 * Row 6
11	7,727,632	7,734,159	2,288,537	14,721,170	-	Row 4 * Row 7
12	90,581,764	117,538,732	26,845,441	14,721,170	3,213,953	

	5	6	7	8	9	
	Current Year Allocated Costs - Before Deficit (Rows 9 to 11)	Test Year Allocated Costs - Before Deficit	Current Year Customer Activity (Col 5-Col 6)	Rural Rate Alteration, Other Isolated System Cost re-allocation	Total (Col 7 + Col 8)	Comments
13	176,721,995	171,839,067	4,882,928		4,882,928	To Page 3, Row 4
14	43,707,568	40,327,099	3,380,469		3,380,469	To Page 3, Row 5
15	32,471,497	28,302,033	4,169,464	(1,075,482)	3,093,982	To Page 3, Row 6
16	252,901,060	240,468,199	12,432,861	(1,075,482)	11,357,379	

<b>Allocation: Rural Costs and Rural Rate Alteration</b>						
	1	2	3			
	Current Year Total Cost Allocation	Current Year Direct Customer Cost Allocation	Rural Deficit Allocation	Comments		
17	7,043,962	4,882,928	2,161,034	To Page 3, Row 8		
18	4,218,737	3,380,469	838,268	To Page 3, Row 9		
19	94,680		94,680	To Page 3, Row 10		
20	11,357,379	8,263,397	3,093,982			

**Newfoundland and Labrador Hydro  
 Rate Stabilization Plan  
 Calculation of Allocation Factors Allocation**

Line  
 No.

**MWh at Generation**

	1	2	3	4	
	Sales MWh	Losses	MWh at Generation (Col 1 + Col 2)	Allocation Percentage	Comments
1 Newfoundland Power	4,263,084	132,062	4,395,146	0.72231	To Page 5, Row 5
2 Industrial Customers	1,245,157	44,118	1,289,275	0.21188	To Page 5, Row 6
3 Rural Island Interconnected	352,564	47,822	400,386	0.06580	To Page 5, Row 7
4 Total	5,860,805	224,002	6,084,807	1.00000	

**Generation AED - Current Year**

	1	2	3	4	5	6	7	8	
	Sales + Losses for AED MWh	Class NCP at Generator	Average Demand Amount	Weighted	Excess Demand Amount	Weighted	Amount	Weighted	Comments
5 Newfoundland Power	4,395,146	915,669	501,729	0.4406	413,940	0.3221	868,484	0.76273	To Page 5, Row 5
6 Industrial Customers	1,285,649	176,409	146,764	0.1289	29,645	0.0231	173,030	0.15196	To Page 5, Row 6
7 Rural Island Interconnected	400,386	103,757	45,706	0.0401	58,051	0.0452	97,140	0.08531	To Page 5, Row 7
8 Total	6,081,181	1,195,835	694,199	0.6097	501,636	0.3903	1,138,654	1.0000	

**Transmission AED - Current Year**

	1	2	3	4	5	6	7	8	
	Sales + Losses for AED MWh	Class NCP at Transmission	Average Demand Amount	Weighted	Excess Demand Amount	Weighted	Amount	Weighted	Comments
9 Newfoundland Power	4,267,478	886,106	487,155	0.4428	398,951	0.3197	838,894	0.76260	To Page 5, Row 5
10 Industrial Customers	1,248,305	170,714	142,501	0.1295	28,213	0.0226	167,375	0.15215	To Page 5, Row 6
11 Rural Island Interconnected	388,755	100,408	44,378	0.0403	56,030	0.0449	93,777	0.08525	To Page 5, Row 7
12 Total	5,904,538	1,157,228	674,034	0.6127	483,194	0.3873	1,100,047	1.0000	

**Newfoundland and Labrador Hydro  
 Rate Stabilization Plan  
 Dec, 2000  
 Calculation of Mill Rate Adjustment**

	<b>Balance (\$000)</b>	<b>Sales (GWh)</b>	<b>RSP Mill Rate (mills/kWh)</b>	<b>Mill Rate Effective Date</b>
Newfoundland Power	7,561	4,263	1.77	July 1, 2001
Island Industrial	3,493	1,249	2.80	January 1, 2001
<b>Total Balance</b>	<b>11,054</b>	<b>5,512</b>		

		<b>Write-Off Period</b>	<b>1 Year</b>
Newfoundland Power (December)	22,683	3 Years	7,561
Island Industrial (September)	10,480	3 Years	3,493
<b>Total Balance</b>	<b>33,163</b>		<b>11,054</b>