

1 Q. RSP - Reference PUB-59, PUB-53 and IC-193,

2

3 a) Provide detailed explanation for PUB-59 2001 (showing all  
4 calculations, assumptions, data, and sources for data derived from  
5 earlier COS studies or other sources) to explain each row for "Revised  
6 COS" and for "Cost Difference" (at page 12 for 2001).

7

8 e) PUB-53 and IC-193 provide RSP forecasts for 2002 through 2005  
9 assuming base oil prices reset in 2002 at \$25/bbl and \$15/bbl  
10 respectively. Confirm that these responses assume no adjustment to  
11 2002 Revenue Requirement or rates as set out in the Hydro  
12 Application, and that the Revenue Variance (as part of Load Variance)  
13 for 2002 through 2005 assume mill rates as currently applied for.  
14 Explain the rationale for this assumption. Provide adjusted responses  
15 for PUB-53 and IC-193 assuming that the NP and IC mill rates are  
16 adjusted to reflect the rebased oil prices at levels different than  
17 assumed in the Hydro Application - set out in detail the basis for the  
18 adjusted mill rate calculations.

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21 A. RSP - Reference PUB-59, PUB-53 and IC-193,

22

23 a) Please see attached.

24

25 e) The responses to PUB-53 and IC-193 assume no adjustment to 2002  
26 Revenue Requirement or rates as set out in the Hydro Application,  
27 and that the Revenue Variance (as part of Load Variance) for 2002  
28 through 2005 assume mill rates as currently applied for. Please see

1 attached for the adjusted responses using revised base rates. As  
2 there was no load variation in the 2002 forecast RSP, 2002 activity  
3 and balances are unchanged from the responses provided in PUB-53  
4 and IC-193.

5  
6 The adjusted base mill rates used in the attached RSP activity  
7 assumes only fuel costs are adjusted for the respective \$25/bbl and  
8 \$15/bbl fuel costs. All other activity remains consistent with the  
9 proposed 2002 Revenue Requirement.

**Newfoundland and Labrador Hydro  
Rate Stabilization Plan  
Dec, 2001  
Summary Plan Balances (\$)**

	1	2	3	
	Costs	Revenues	Balance	Comments
Newfoundland Power	48,163,603	5,224,243	42,939,360	Costs from Page 3, Revenue from Page 4
Island Industrial	17,234,513	1,886,617	15,347,896	
<b>Subtotal</b>	<b>65,398,116</b>	<b>7,110,860</b>	<b>58,287,256</b>	
Plus Labrador Interconnected Allocation	61,275			
<b>Total Annual Activity, Excluding Interest</b>	<b>65,459,391</b>	<b>7,110,860</b>	<b>58,287,256</b>	

Newfoundland and Labrador Hydro  
 RSP Customer Splits  
 2001

Line No.	1	December	<u>Source/Comments</u>
<b>FUEL AND RURAL RATE ALTERATION</b>			
<b>Year-to-Date Activity</b>			
1	YTD Fuel Cost	66,768,406	From RSP report
2	Rural Rate Alteration	<u>(1,431,565)</u>	From RSP report
3	Total to be split	<u>65,336,841</u>	
<b>Allocation: Fuel and Revised Test Year Costs Before Rural Deficit Allocation</b>			
4	Newfoundland Power	43,697,852	From Page 5, Row 12
5	Industrial	15,390,098	From Page 5, Row 13
6	Bulk Rural	6,248,891	From Page 5, Row 14
7	Total	<u>65,336,841</u>	
<b>Allocation: Bulk Rural Fuel and Rural Rate Alteration</b>			
8	Newfoundland Power	4,465,751	From Page 5, Row 16
9	Industrial	1,844,415	From Page 5, Row 17
10	Rural Labrador Interconnected	<u>(61,275)</u>	From Page 5, Row 18
11	Total	<u>6,248,891</u>	
<b>Year-to-Date Customer Balances</b>			
12	Newfoundland Power	48,163,603	Row 4 + Row 8
13	Industrial	17,234,513	Row 5 + Row 9
14	Rural Labrador Interconnected	<u>(61,275)</u>	Row 10
15	Total	<u>65,336,841</u>	

**Newfoundland and Labrador Hydro  
Rate Stabilization Plan  
Dec, 2001  
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	4,399,400.000	4,284,100.000	115,300.000	0.04531	5,224,243.00	To Page 2, Column 2
Industrial Customers	1,346,750.000	1,249,200.000	97,550.000	0.01934	1,886,617.00	To Page 2, Column 2
					<u>7,110,860.00</u>	

**Newfoundland and Labrador Hydro  
Rate Stabilization Plan  
Dec, 2001  
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	(59,083)	(34,042)	(15,103)	308,018	(2,264)	Reallocation due to revised rural customers
3		66,768,406				2000 RSP activity, excl. Rural Rate Alteration and Load Variation Revenue
4	90,580,412	172,070,106	26,845,171	14,723,857	3,214,585	

**Allocation Ratios:**

	1	2	3			
	Generation AED	MWh at Generator	Transmission AED	Customer	Detailed Analysis	Comments
5	0.76703	0.71618	0.76662		0.6984	MWh, Generation and Transmission From Page 6
6	0.14540	0.21892	0.14555		0.3016	MWh, Generation and Transmission From Page 6
7	0.08757	0.06489	0.08783	1.00000		MWh, Generation and Transmission From Page 6
8	1.00000	1.00000	1.00000	1.00000	1.00000	

**Allocation: Costs:**

	1	2	3	4	5	
	Production Demand	Production & Transmission Energy	Transmission Demand	Distribution and Accounting Customer Costs	Specifically Assigned Customer Costs	Comments
9	69,477,893	123,233,843	20,580,045	-	2,245,137	Row 4 * Row 5
10	13,170,392	37,670,042	3,907,315	-	969,448	Row 4 * Row 6
11	7,932,127	11,166,221	2,357,811	14,723,857	-	Row 4 * Row 7
12	90,580,412	172,070,106	26,845,171	14,723,857	3,214,585	

	5	6	7	8	9	
	Current Year Allocated Costs - Before Deficit (Rows 8 to 10)	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	215,536,918	171,839,067	43,697,851		43,697,851	To Page 3, Row 4
14	55,717,197	40,327,099	15,390,098		15,390,098	To Page 3, Row 5
15	36,180,016	28,302,033	7,877,983	(1,629,091)	6,248,892	To Page 3, Row 6
16	307,434,131	240,468,199	66,965,932	(1,629,091)	65,336,841	

**Allocation: Rural Costs and Rural Rate Alteration**

	1	2	3	
	Current Year Total Cost Allocation	Current Year Direct Customer Cost Allocation	Rural Deficit Allocation	Comments
17	48,163,602	43,697,851	4,465,751	To Page 3, Row 8
18	17,234,513	15,390,098	1,844,415	To Page 3, Row 9
19	(61,275)		(61,275)	To Page 3, Row 10
20	65,336,840	59,087,949	6,248,891	

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

Line  
No.

<b>MWh at Generation</b>		1	2	3	4	
		Sales MWh	Losses	MWh at Generation (Col 1 + Col 2)	Allocation Percentage	Comments
1	Newfoundland Power	4,399,400	139,422	4,538,822	0.7162	To Page 5, Row 5
2	Industrial Customers	1,346,750	40,674	1,387,424	0.2189	To Page 5, Row 6
3	Rural Island Interconnected	361,000	50,263	411,263	0.0649	To Page 5, Row 7
4	<b>Total</b>	<b>6,107,150</b>	<b>230,359</b>	<b>6,337,509</b>	<b>1.0000</b>	

**Generation AED - Current Year**

		1	2	3		4		5		6		7	8	
				<u>Average Demand</u>		<u>Excess Demand</u>						<u>Total</u>		
		Sales + Losses for AED MWh	Class NCP at Generator	Amount	Weighted	Amount	Weighted	Amount	Weighted	Amount	Weighted	Comments		
5	Newfoundland Power	4,535,589	960,391	517,761	0.4262	442,630	0.3408	930,717	0.76703				To Page 5, Row 5	
6	Industrial Customers	1,391,470	177,874	158,844	0.1307	19,030	0.0147	174,390	0.14540				To Page 5, Row 6	
7	Rural Island Interconnected	410,450	110,487	46,855	0.0386	63,632	0.0490	110,288	0.08757				To Page 5, Row 7	
8	<b>Total</b>	<b>6,337,509</b>	<b>1,248,752</b>	<b>723,460</b>	<b>0.5955</b>	<b>525,292</b>	<b>0.4045</b>	<b>1,215,395</b>	<b>1.00000</b>					

**Transmission AED - Current Year**

		1	2	3		4		5		6		7	8	
				<u>Average Demand</u>		<u>Excess Demand</u>						<u>Total</u>		
		Sales + Losses for AED MWh	Class NCP at Transmission	Amount	Weighted	Amount	Weighted	Amount	Weighted	Amount	Weighted	Comments		
9	Newfoundland Power	4,402,468	923,696	502,565	0.4282	423,045	0.3384	899,775	0.76662				To Page 5, Row 5	
10	Industrial Customers	1,338,800	172,000	152,831	0.1302	19,169	0.0153	170,829	0.14555				To Page 5, Row 6	
11	Rural Island Interconnected	398,400	106,838	45,479	0.0387	61,359	0.0491	103,091	0.08783				To Page 5, Row 7	
12	<b>Total</b>	<b>6,139,668</b>	<b>1,204,448</b>	<b>700,875</b>	<b>0.5972</b>	<b>503,573</b>	<b>0.4028</b>	<b>1,173,695</b>	<b>1.00000</b>					