

1 Q. (a) Further to NP-202, estimate the 2002 RSP fuel cost shortfall (as a
2 result of using \$20 per barrel for No. 6 fuel in the cost of service study)
3 allocated to Labrador Interconnected Rural from sales to Bulk Rural?
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5 (b) How does Hydro propose to recover the projected shortfall from (a)?
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7 (c) Why is Hydro not proposing an RSP component for the rates of
8 Labrador Interconnected customers?
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11 A. (a) The estimated amount of RSP fuel cost allocated to Labrador
12 Interconnected for 2002 is \$199,739, as filed in response to PUB 59.0,
13 2002 p. 12.
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15 (b) Hydro is not proposing to recover the projected shortfall.
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17 (c) The RSP fuel cost shortfall results from Hydro's decision to use \$20
18 per barrel fuel in its 2002 rate proposal rather than the forecast cost of
19 \$28 per barrel. This was done in order to mitigate rate increases for
20 customers served on the Island Interconnected system. Hydro is not
21 proposing an RSP component for the rates of Labrador
22 Interconnected customers at this time due to the exceptional nature of
23 these circumstances concerning the RSP amount as well as the
24 administrative complexities associated with implementing an RSP
25 adjustment clause for 21 existing rate classes.

1 Q. (a) Further to NP-130, provide details of any amounts that may have been
2 paid to Hydro by Albright & Wilson Americas resulting from the
3 termination or abandonment of the contract for service.

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5 (b) Was the amount recovered, if any, applied to reduce future revenue
6 requirements from the remaining customer population.

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9 A. (a) On December 9, 1996 a written notice of termination was given to
10 Hydro by Albright & Wilson Americas stating that they were terminating
11 the electricity supply agreement as of midnight December 15, 1997, no
12 amount was paid to Hydro as a result of this termination.

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14 (b) As indicated in part (a) no amount was recovered.