

1 Q. Please provide copies of the Rate Stabilization Plan reports for the months of  
2 August and September 2001.

3

4 A. Copies of the Rate Stabilization Plan reports for the months of July, August and  
5 September 2001 are attached.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**RATE STABILIZATION PLAN**  
**SUMMARY**  
**July 2001**



**RATE STABILIZATION PLAN  
SUMMARY**

The Cost of Service Study filed with the Board in November of 1991 is based on projections of events and costs that are forecast to happen during the test year 1992. Variations between actual results and Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used in the Plan:

1.	Normal annual hydraulic production assumed in the Cost of Service Study	-	4,205.32 GWh.
2.	Cost of Service oil price	-	\$12.48 per barrel
3.	Holyrood average annual operating efficiency	-	605 kWh. per bbl.
4.	Holyrood mill rate based on \$12.48 per barrel	-	20.63 mills per kWh
5.	Retail energy mill rate	-	45.31 mills per kWh
6.	Large industrial energy mill rate	-	19.34 mills per kWh effective January 1, 2000
7.	Firming up charge	-	10.40 mills per kWh January to December
8.	Interest rate collected/charged	-	8.40% per annum effective January 1, 2001.
9.	Retail rate stabilization plan adjustment effective July 1, 2001	-	1.77 mills per kWh
10.	Industrial rate stabilization plan adjustment effective January 1, 2001	-	2.80 mills per kWh



1. Hydraulic Production Variations: Actual production in July 2001 was 320.86 GWh compared with the Cost of Service Study of 301.53 GWh, an increase of 19.33 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$399,000 (excluding interest) representing an amount owed by Hydro to Customers based on the \$12.48 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

July 2001

LOAD VARIATIONS

MONTH	FIRM ENERGY SALES				SECONDARY ENERGY SALES			
	<u>COST OF SERVICE SALES</u> (GWh)	<u>ACTUAL SALES</u> (GWh)	<u>MONTHLY VARIANCE</u> (GWh)	<u>CUMULATIVE VARIANCE</u> (GWh)	<u>COST OF SERVICE SALES</u> (GWh)	<u>ACTUAL SALES</u> (GWh)	<u>MONTHLY VARIANCE</u> (GWh)	<u>CUMULATIVE VARIANCE</u> (GWh)
January	594.30	622.73	28.43	28.43	0.00	0.00	0.00	0.00
February	557.00	586.45	29.45	57.88	0.00	0.00	0.00	0.00
March	552.60	585.11	32.51	90.39	0.00	0.00	0.00	0.00
April	482.30	497.65	15.35	105.74	0.00	0.00	0.00	0.00
May	429.80	441.26	11.46	117.20	0.00	0.00	0.00	0.00
June	370.50	354.34	(16.16)	101.04	0.00	0.00	0.00	0.00
July	345.40	352.32	6.92	107.96	0.00	0.00	0.00	0.00
August	346.10				0.00			
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	<u>574.40</u>				<u>0.00</u>			
TOTAL	<u>5,533.30</u>				<u>0.00</u>			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for July 2001 were 352.32 GWh, 6.92 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for July 2001 were negligible.



**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**July 2001**

**LOAD VARIATIONS - Continued**

<u>LOAD VARIATION ELEMENTS</u>	<u>COST OF SERVICE</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>MILL RATE</u>	<u>AMOUNT</u>
	(kWh)	(kWh)	(kWh)		\$
(a) Utility Firm Energy Sales					
Newfoundland Light and Power	<u>239,200,000</u>	<u>254,691,701</u>	15,491,701	(24.68)	(382,335.18)
				(20.63-45.31)	
(b) Large Industrial Firm Energy Sales					
Abitibi-Price (Grand Falls)					
1st Block	14,000,000	5,046,834			
2nd Block	<u>2,000,000</u>	<u>11,271</u>			
	16,000,000	5,058,105			
Abitibi-Price (Stephenville)	41,300,000	35,235,887			
Deer Lake Power	1,300,000	1,481,850			
Corner Brook Pulp & Paper	26,900,000	35,143,647			
Albright & Wilson Americas	1,100,000	0			
North Atlantic Refining Ltd.	19,000,000	20,711,169			
Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
	<u>106,200,000</u>	<u>97,630,658</u>	(8,569,342)	1.29	<u>(11,054.45)</u>
				(20.63-19.34)	
TOTAL	<u>345,400,000</u>	<u>352,322,359</u>	<u>6,922,359</u>		<u>(393,389.63)</u>
					(To Page 14)
(c) Secondary Energy Sales					
Newfoundland Light and Power	<u>0</u>	<u>203</u>	<u>203</u>	10.40	<u>(2.11)</u>
					(To Page 14)

\* Albright & Wilson Americas and Royal Oak Mines Inc. are no longer Industrial Customers.

The impact on the Plan from Load Variations comes from three elements.

- (a) Utility Firm Sales - Actual sales were 15.49 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$382,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.63 mills, less the Retail energy rate of 45.31 mills, a difference of 24.68 mills multiplied by 15.49 GWh.
- (b) Large Industrial - Actual sales were 8.57 GWh less than the Cost of Service Study and resulted in a savings to the Plan of \$11,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.63 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.29 mills multiplied by 8.57 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for July were negligible.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**July 2001**

**FUEL COST VARIATIONS**

MONTH	FUEL COST			FUEL CONSUMPTION			
	COST OF SERVICE FUEL COST (\$)	ACTUAL FUEL COST (\$)	VARIANCE (\$)	COST OF SERVICE BARRELS (Qty.)	ACTUAL BARRELS (Qty.)	MONTHLY VARIANCE (Qty.)	CUMULATIVE VARIANCE (Qty.)
January	12.31	35.01	22.70	442,711	320,686	(122,025)	(122,025)
February	12.40	34.14	21.74	414,149	280,051	(134,098)	(256,123)
March	12.43	32.47	20.04	348,446	328,999	(19,447)	(275,570)
April	12.45	32.19	19.74	273,719	291,311	17,592	(257,978)
May	12.45	30.28	17.83	169,091	227,709	58,618	(199,360)
June	12.45	29.74	17.29	130,909	153,344	22,435	(176,925)
July	12.48	29.74	17.26	122,975	97,080	(25,895)	(202,820)
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	<u>12.50</u>			<u>368,926</u>			
TOTAL	<u>12.45</u>			<u>3,043,686</u>			

3. Fuel Cost Variations: Actual fuel consumption in July 2001 was 97,080 barrels at the Holyrood Generating Station. This was 25,895 barrels less than the forecast in the Cost of Service Study.
  
4. The fuel cost variation during the month, based on the average fuel cost for the Holyrood Generating Station of \$29.74 per barrel, was \$17.26 per barrel more than provided in the Cost of Service Study. The implications of this fuel price variation for the Rate Stabilization Plan are provided in the next table.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

July 2001

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

<u>PERIOD:</u>	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
July 01, 2001 - July 31, 2001	97,107	29.7410	2,888,059.29
Less: Emergency Fuel	(27)	29.7410	(803.01)
	<u>97,080</u>	29.7410	<u>2,887,256.28</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>		<u>ACTUAL VARIANCE</u>		<u>ACTUAL BARRELS</u> (Qty.)	<u>OF FUEL USED</u> \$	<u>AMOUNT</u>
	<u>COST OF</u> <u>SERVICE</u> \$	\$	\$			\$	
(a) Holyrood Generating Station	12.48	29.74	17.26	X	97,080	<u>1,675,600.80</u>	

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The charge to the plan resulting from the fuel cost variation is calculated as follows. The average cost of fuel in our tanks at Holyrood was \$29.74 per barrel compared with the Cost of Service estimate of \$12.48 per barrel. The difference \$17.26 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 97,080 barrels in the month results in \$1,676,000 owed by Customers to Hydro for the month.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**July 2001**

**ADJUSTMENT**

	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	254,691,701	(1.77)	(450,804.31)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>203</u>	(1.77)	<u>(0.36)</u>
	254,691,904		(450,804.67)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	5,046,834		
2nd Block	<u>11,271</u>		
	5,058,105		
Abitibi-Price (Stephenville)	35,235,887		
Deer Lake Power	1,481,850		
Corner Brook Pulp & Paper	35,143,647		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	20,711,169		
Royal Oak Mines Inc.	<u>0</u>		
	<u>97,630,658</u>	(2.80)	<u>(273,365.84)</u>
	<u>352,322,562</u>		<u>(724,170.51)</u>

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Adjustment: The Rate Stabilization Plan balances used for determining rate adjustments are as follows:

	<u>RETAIL</u>	<u>INDUSTRIAL</u>	<u>TOTAL</u>
September 30, 2000	16,827,000	10,480,000	27,307,000
December 31, 2000	22,684,000	12,918,000	35,602,000

Values in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

One third of the amount owing from Industrial customers at September 30, 2000, \$3,493,000 will be recovered over the twelve month period commencing January 1, 2001 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 2.80 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2000, into the amount to be recovered from Industrial customers over the next 12 months.

One third of the amount owing from Retail customers at December 31, 2000, \$7,561,000 will be recovered over the period July 1, 2001 to June 30, 2002 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 1.77 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2000, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 254.69 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$451,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 97.63 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$273,000 of the balance outstanding being recovered from Industrial customers.



**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**July 2001**

**OVERALL SUMMARY  
(in thousands of dollars)**

DUE MONTH	HYDRAULIC PRODUCTION VARIATIONS				LOAD VARIATIONS				FUEL COST VARIATIONS				RURAL	TOTAL TO DATE		
	ADJUST	INTEREST	TO DATE	CUSTOMERS	FIRM		SECONDARY		TOTAL <sup>1</sup> TO DATE	FUEL INTEREST	TOTAL <sup>1</sup> CHANGE COST	RURAL	TOTAL <sup>1</sup> INTEREST	FROM (TO) TO DATE		
					ENERGY	SALES	ENERGY	SALES								
January	(1,793)	0	(1,793)	(704)	0	(704)	0	0	0	7,280	0	7,280	(71)	0	(71)	4,712
February	(1,975)	(12)	(3,780)	(600)	(5)	(1,309)	0	0	0	6,088	49	13,417	(67)	0	(138)	8,190
March	(623)	(26)	(4,429)	(625)	(9)	(1,943)	0	0	0	6,593	91	20,101	(64)	(1)	(203)	13,526
April	224	(30)	(4,235)	(628)	(13)	(2,584)	0	0	0	5,750	136	25,987	696	(1)	492	19,660
May	746	(28)	(3,517)	(354)	(18)	(2,956)	0	0	0	4,060	176	30,223	(22)	3	473	24,223
June	780	(24)	(2,761)	224	(20)	(2,752)	0	0	0	2,651	204	33,078	(50)	4	427	27,992
July	(399)	(18)	(3,178)	(393)	(19)	(3,164)	0	0	0	1,676	223	34,977	(49)	3	381	29,016
August																
September																
October																
November																
December																

<sup>1</sup> Values appearing in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

\* Net revenue/charge received by Hydro as a result of Newfoundland Power's rate adjustments.

Overall Summary: For July 2001, hydraulic production was up 19.33 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$399,000. Utility energy sales were 15.49 GWh more than the Cost of Service Study representing \$382,000 due to retail customers. Large industrial energy sales were 8.57 GWh less than the Cost of Service Study representing \$11,000 due to industrial customers. Secondary energy sales were negligible. Total of these three load items resulted in an amount owing by Hydro to Customers of \$393,000. Fuel consumed was 97,080 barrels at an average cost of \$17.26 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$1,676,000.

Netting all of the adjustments, the charge to the Plan for July 2001 including interest, was an amount owing to Hydro by Customers of \$1,024,000.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**July 2001**

**OVERALL SUMMARY  
(in thousands of dollars)**

HYDRO	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL		
	CURRENT PERIOD				PRIOR PERIOD			CURRENT PERIOD				PRIOR PERIOD					
	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	RETAIL TOTAL TO DATE	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	INDUST. TOTAL TO DATE		TOTAL <sup>(1)</sup> CURRENT PERIOD	TOTAL PRIOR PERIOD
Balance forward:						22,684	22,684						12,918	12,918		35,602	35,602
January	2,945	0	2,945	(902)	153	21,935	24,880	1,790	0	1,790	(300)	88	12,706	14,496	4,735	34,641	39,376
February	2,141	20	5,106	(848)	147	21,234	26,340	1,319	12	3,121	(285)	87	12,508	15,629	8,227	33,742	41,969
March	3,931	35	9,072	(826)	144	20,552	29,624	1,366	21	4,508	(317)	84	12,275	16,783	13,580	32,827	46,407
April	4,596	61	13,729	(702)	139	19,989	33,718	1,424	31	5,963	(271)	83	12,087	18,050	19,692	32,076	51,768
May	3,390	93	17,212	(588)	135	19,536	36,748	1,048	40	7,051	(295)	83	11,875	18,926	24,263	31,411	55,674
June	2,871	116	20,199	(449)	132	19,219	39,418	731	48	7,830	(274)	80	11,681	19,511	28,029	30,900	58,929
July	608	137	20,944	(451)	130	18,898	39,842	214	53	8,097	(273)	79	11,487	19,584	29,041	30,385	59,426
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 8.40% beginning January, 2001. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

<sup>(1)</sup> Amount has been adjusted for portion associated with Labrador Interconnected customers.

The table opposite shows the breakdown of the Rate Stabilization Plan into the amount owing from Retail and Industrial customers for both the current and previous periods. As of the end of July 2001 the amount owing to Hydro by Retail customers was \$39,842,000 and the amount owing to Hydro by Industrial customers was \$19,584,000.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**RATE STABILIZATION PLAN**  
**SUMMARY**  
**August 2001**



**RATE STABILIZATION PLAN  
SUMMARY**

The Cost of Service Study filed with the Board in November of 1991 is based on projections of events and costs that are forecast to happen during the test year 1992. Variations between actual results and Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used in the Plan:

1.	Normal annual hydraulic production assumed in the Cost of Service Study	-	4,205.32 GWh.
2.	Cost of Service oil price	-	\$12.48 per barrel
3.	Holyrood average annual operating efficiency	-	605 kWh. per bbl.
4.	Holyrood mill rate based on \$12.48 per barrel	-	20.63 mills per kWh
5.	Retail energy mill rate	-	45.31 mills per kWh
6.	Large industrial energy mill rate	-	19.34 mills per kWh effective January 1, 2000
7.	Firming up charge	-	10.40 mills per kWh January to December
8.	Interest rate collected/charged	-	8.40% per annum effective January 1, 2001.
9.	Retail rate stabilization plan adjustment effective July 1, 2001	-	1.77 mills per kWh
10.	Industrial rate stabilization plan adjustment effective January 1, 2001	-	2.80 mills per kWh

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**August 2001**

**HYDRAULIC PRODUCTION**

MONTH	COST OF SERVICE PRODUCTION AMOUNT	ACTUAL	MONTHLY PRODUCTION	CUMULATIVE	VARIANCE	COST OF VARIANCE		SERVICE	HOLYROOD GENERATING ACTUAL	OTHER VARIANCE	STATION	GENERATION
	(GWh)	(GWh)	(GWh)	(GWh)		(GWh)	(GWh)	(GWh)	(GWh)	\$	\$	\$
<u>HYDRO PRODUCTION PLANT</u>												
January	382.42	470.55	88.13	88.13	Bay D'Espoir	189.08	189.99					
February	359.84	456.20	96.36	184.49	Hinds Lake	16.42	28.33					
March	392.94	423.27	30.33	214.82	Upper Salmon	40.25	51.42					
April	362.50	351.60	(10.90)	203.92	Cat Arm	55.15	58.01					
May	368.69	332.43	(36.26)	167.66	Paradise River	<u>1.51</u>	<u>0.59</u>					
June	324.91	287.01	(37.90)	129.76	TOTAL	<u>302.41</u>	<u>328.34</u>	25.93				
July	301.53	320.86	19.33	149.09								
August	302.41	328.34	25.93	175.02								
September		302.17										
October	339.99											
November	362.72											
December	405.20											
TOTAL	<u>4,205.32</u>											
										Holyrood Generating Station		
										(25.93)/0.000605 x \$12.48		(534,886.61)
										<u>(534,886.61)</u>		

TOTAL

(To Page 14)



1. Hydraulic Production Variations: Actual production in August 2001 was 328.34 GWh compared with the Cost of Service Study of 302.41 GWh, an increase of 25.93 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$535,000 (excluding interest) representing an amount owed by Hydro to Customers based on the \$12.48 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

August 2001

LOAD VARIATIONS

MONTH	FIRM ENERGY SALES				SECONDARY ENERGY SALES			
	<u>COST OF SERVICE SALES</u> (GWh)	<u>ACTUAL SALES</u> (GWh)	<u>MONTHLY VARIANCE</u> (GWh)	<u>CUMULATIVE VARIANCE</u> (GWh)	<u>COST OF SERVICE SALES</u> (GWh)	<u>ACTUAL SALES</u> (GWh)	<u>MONTHLY VARIANCE</u> (GWh)	<u>CUMULATIVE VARIANCE</u> (GWh)
January	594.30	622.73	28.43	28.43	0.00	0.00	0.00	0.00
February	557.00	586.45	29.45	57.88	0.00	0.00	0.00	0.00
March	552.60	585.11	32.51	90.39	0.00	0.00	0.00	0.00
April	482.30	497.65	15.35	105.74	0.00	0.00	0.00	0.00
May	429.80	441.26	11.46	117.20	0.00	0.00	0.00	0.00
June	370.50	354.34	(16.16)	101.04	0.00	0.00	0.00	0.00
July	345.40	352.32	6.92	107.96	0.00	0.00	0.00	0.00
August	346.10	366.79	20.69	128.65	0.00	0.00	0.00	0.00
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	<u>574.40</u>				<u>0.00</u>			
TOTAL	<u>5,533.30</u>				<u>0.00</u>			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for August 2001 were 366.79 GWh, 20.69 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for August 2001 were nil.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**August 2001**

**LOAD VARIATIONS - Continued**

<u>LOAD VARIATION ELEMENTS</u>	<u>COST OF SERVICE</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>MILL RATE</u>	<u>AMOUNT</u>
	(kWh)	(kWh)	(kWh)		\$
(a) Utility Firm Energy Sales					
Newfoundland Light and Power	<u>238,700,000</u>	<u>258,518,274</u>	19,818,274	(24.68)	(489,115.00)
				(20.63-45.31)	
(b) Large Industrial Firm Energy Sales					
Abitibi-Price (Grand Falls)					
1st Block	14,000,000	5,142,414			
2nd Block	<u>1,900,000</u>	<u>0</u>			
	15,900,000	5,142,414			
Abitibi-Price (Stephenville)	42,700,000	45,656,354			
Deer Lake Power	1,300,000	1,485,761			
Corner Brook Pulp & Paper	26,900,000	35,890,521			
Albright & Wilson Americas	1,000,000	0			
North Atlantic Refining Ltd.	19,000,000	20,094,727			
Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
	<u>107,400,000</u>	<u>108,269,777</u>	<u>869,777</u>	1.29	<u>1,122.01</u>
				(20.63-19.34)	
TOTAL	<u>346,100,000</u>	<u>366,788,051</u>	<u>20,688,051</u>		<u>(487,992.99)</u>
					(To Page 14)
(c) Secondary Energy Sales					
Newfoundland Light and Power	<u>0</u>	<u>0</u>	<u>0</u>	10.40	<u>0.00</u>
					(To Page 14)

\* Albright & Wilson Americas and Royal Oak Mines Inc. are no longer Industrial Customers.

The impact on the Plan from Load Variations comes from three elements.

- (a) Utility Firm Sales - Actual sales were 19.82 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$489,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.63 mills, less the Retail energy rate of 45.31 mills, a difference of 24.68 mills multiplied by 19.82 GWh.
- (b) Large Industrial - Actual sales were 0.87 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$1,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.63 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.29 mills multiplied by 0.87 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for August were nil.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

August 2001

FUEL COST VARIATIONS

MONTH	FUEL COST			FUEL CONSUMPTION			
	COST OF SERVICE FUEL COST (\$)	ACTUAL FUEL COST (\$)	VARIANCE (\$)	COST OF SERVICE BARRELS (Qty.)	ACTUAL BARRELS (Qty.)	MONTHLY VARIANCE (Qty.)	CUMULATIVE VARIANCE (Qty.)
January	12.31	35.01	22.70	442,711	320,686	(122,025)	(122,025)
February	12.40	34.14	21.74	414,149	280,051	(134,098)	(256,123)
March	12.43	32.47	20.04	348,446	328,999	(19,447)	(275,570)
April	12.45	32.19	19.74	273,719	291,311	17,592	(257,978)
May	12.45	30.28	17.83	169,091	227,709	58,618	(199,360)
June	12.45	29.74	17.29	130,909	153,344	22,435	(176,925)
July	12.48	29.74	17.26	122,975	97,080	(25,895)	(202,820)
August	12.48	28.06	15.58	122,975	109,903	(13,072)	(215,892)
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	<u>12.50</u>			<u>368,926</u>			
TOTAL	<u>12.45</u>			<u>3,043,686</u>			

3. Fuel Cost Variations: Actual fuel consumption in August 2001 was 109,903 barrels at the Holyrood Generating Station. This was 13,072 barrels less than the forecast in the Cost of Service Study.
  
4. The fuel cost variation during the month, based on the average fuel cost for the Holyrood Generating Station of \$28.06 per barrel, was \$15.58 per barrel more than provided in the Cost of Service Study. The implications of this fuel price variation for the Rate Stabilization Plan are provided in the next table.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**August 2001**

**FUEL COST VARIATIONS - Continued**

<u>CONSUMPTION SCHEDULE</u>	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
August 01, 2001 - August 21, 2001	39,015	27.9516	1,090,531.67
August 22, 2001 - August 31, 2001	<u>71,046</u>	28.1132	<u>1,997,330.41</u>
	110,061	28.0559	3,087,862.08
Less: Emergency Fuel	(158)	28.0559	(4,432.83)
	<u>109,903</u>	28.0559	<u>3,083,429.25</u>

<u>FUEL COST VARIATION PROVISION</u>	<u>FUEL COST PER BARREL</u>		<u>ACTUAL VARIANCE</u>		<u>ACTUAL BARRELS</u> (Qty.)	<u>OF FUEL USED</u> \$	<u>AMOUNT</u>
	<u>COST OF</u> <u>SERVICE</u> \$	\$	\$			\$	
(a) Holyrood Generating Station	12.48	28.06	15.58	X	109,903	<u>1,712,288.74</u>	

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The charge to the plan resulting from the fuel cost variation is calculated as follows. The average cost of fuel in our tanks at Holyrood was \$28.06 per barrel compared with the Cost of Service estimate of \$12.48 per barrel. The difference \$15.58 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 109,903 barrels in the month results in \$1,712,000 owed by Customers to Hydro for the month.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**August 2001**

**ADJUSTMENT**

	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	258,518,274	(1.77)	(457,577.34)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	258,518,274		(457,577.34)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	5,142,414		
2nd Block	<u>0</u>		
	5,142,414		
Abitibi-Price (Stephenville)	45,656,354		
Deer Lake Power	1,485,761		
Corner Brook Pulp & Paper	35,890,521		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	20,094,727		
Royal Oak Mines Inc.	<u>0</u>		
	<u>108,269,777</u>	(2.80)	<u>(303,155.38)</u>
	<u>366,788,051</u>		<u>(760,732.72)</u>

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Adjustment: The Rate Stabilization Plan balances used for determining rate adjustments are as follows:

	<u>RETAIL</u>	<u>INDUSTRIAL</u>	<u>TOTAL</u>
September 30, 2000	16,827,000	10,480,000	27,307,000
December 31, 2000	22,684,000	12,918,000	35,602,000

Values in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

One third of the amount owing from Industrial customers at September 30, 2000, \$3,493,000 will be recovered over the twelve month period commencing January 1, 2001 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 2.80 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2000, into the amount to be recovered from Industrial customers over the next 12 months.

One third of the amount owing from Retail customers at December 31, 2000, \$7,561,000 will be recovered over the period July 1, 2001 to June 30, 2002 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 1.77 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2000, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 258.52 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$458,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 108.27 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$303,000 of the balance outstanding being recovered from Industrial customers.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

August 2001

OVERALL SUMMARY  
(in thousands of dollars)

DUE MONTH	HYDRAULIC PRODUCTION VARIATIONS				LOAD VARIATIONS				FUEL COST VARIATIONS			RURAL				
	ADJUST	INTEREST	TO DATE	CUSTOMERS	FIRM		SECONDARY		RURAL	TOTAL TO DATE						
					ENERGY	SALES	ENERGY	SALES		INTEREST	TO DATE					
January	(1,793)	0	(1,793)	(704)	0	(704)	0	0	0	7,280	0	7,280	(71)	0	(71)	4,712
February	(1,975)	(12)	(3,780)	(600)	(5)	(1,309)	0	0	0	6,088	49	13,417	(67)	0	(138)	8,190
March	(623)	(26)	(4,429)	(625)	(9)	(1,943)	0	0	0	6,593	91	20,101	(64)	(1)	(203)	13,526
April	224	(30)	(4,235)	(628)	(13)	(2,584)	0	0	0	5,750	136	25,987	696	(1)	492	19,660
May	746	(28)	(3,517)	(354)	(18)	(2,956)	0	0	0	4,060	176	30,223	(22)	3	473	24,223
June	780	(24)	(2,761)	224	(20)	(2,752)	0	0	0	2,651	204	33,078	(50)	4	427	27,992
July	(399)	(18)	(3,178)	(393)	(19)	(3,164)	0	0	0	1,676	223	34,977	(49)	3	381	29,016
August	(535)	(22)	(3,735)	(488)	(21)	(3,673)	0	0	0	1,712	237	36,926	(46)	3	338	29,856
September																
October																
November																
December																

<sup>1</sup> Values appearing in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

\* Net revenue/charge received by Hydro as a result of Newfoundland Power's rate adjustments.

Overall Summary: For August 2001, hydraulic production was up 25.93 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$535,000. Utility energy sales were 19.82 GWh more than the Cost of Service Study representing \$489,000 due to retail customers. Large industrial energy sales were 0.87 GWh more than the Cost of Service Study representing \$1,000 due from industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing by Hydro to Customers of \$488,000. Fuel consumed was 109,903 barrels at an average cost of \$15.58 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$1,712,000.

Netting all of the adjustments, the charge to the Plan for August 2001 including interest, was an amount owing to Hydro by Customers of \$840,000.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**August 2001**

**OVERALL SUMMARY  
(in thousands of dollars)**

HYDRO	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL			
	CURRENT PERIOD				PRIOR PERIOD			CURRENT PERIOD				PRIOR PERIOD			TOTAL TO DATE			
	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	RETAIL TOTAL TO DATE	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	INDUST. TOTAL TO DATE		TOTAL <sup>(1)</sup> CURRENT PERIOD	TOTAL PRIOR PERIOD	
Revised <sup>(2)</sup> Balance forward:						22,684	22,684							12,056	12,056		34,740	34,740
January	2,945	0	2,945	(902)	153	21,935	24,880	1,655	0	1,655	(300)	82	11,838	13,493	4,600	33,773	38,373	
February	2,141	20	5,106	(848)	147	21,234	26,340	1,202	11	2,868	(285)	80	11,633	14,501	7,974	32,867	40,841	
March	3,931	35	9,072	(826)	144	20,552	29,624	1,253	19	4,140	(317)	78	11,394	15,534	13,212	31,946	45,158	
April	4,596	61	13,729	(702)	139	19,989	33,718	1,209	28	5,377	(271)	78	11,201	16,578	19,106	31,190	50,296	
May	3,390	93	17,212	(588)	135	19,536	36,748	964	37	6,378	(295)	76	10,982	17,360	23,590	30,518	54,108	
June	2,871	116	20,199	(449)	132	19,219	39,418	654	43	7,075	(274)	75	10,783	17,858	27,274	30,002	57,276	
July	608	137	20,944	(451)	130	18,898	39,842	166	48	7,289	(273)	72	10,582	17,871	28,233	29,480	57,713	
August	388	141	21,473	(458)	129	18,569	40,042	192	49	7,530	(303)	71	10,350	17,880	29,003	28,919	57,922	
September																		
October																		
November																		
December																		

Interest calculated using Hydro's annual cost of debt at 8.40% beginning January, 2001. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

<sup>(1)</sup> Amount has been adjusted for portion associated with Labrador Interconnected customers

<sup>(2)</sup> In August 2001, the industrial plan was credited for an amount reallocated from rural customers. The effect on the plan was to adjust the opening 2001 balance for industrial customers by (862) which included an amount of (24) attributable for interest. The year-to-date 2001 has been restated to reflect this change. The net effect on the plan for 2001 is (918) which includes interest of (72).

The table opposite shows the breakdown of the Rate Stabilization Plan into the amount owing from Retail and Industrial customers for both the current and previous periods. As of the end of August 2001 the amount owing to Hydro by Retail customers was \$40,042,000 and the amount owing to Hydro by Industrial customers was \$17,880,000.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**RATE STABILIZATION PLAN**  
**SUMMARY**  
**September 2001**





**RATE STABILIZATION PLAN  
SUMMARY**

The Cost of Service Study filed with the Board in November of 1991 is based on projections of events and costs that are forecast to happen during the test year 1992. Variations between actual results and Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used in the Plan:

1.	Normal annual hydraulic production assumed in the Cost of Service Study	-	4,205.32 GWh.
2.	Cost of Service oil price	-	\$12.49 per barrel
3.	Holyrood average annual operating efficiency	-	605 kWh. per bbl.
4.	Holyrood mill rate based on \$12.49 per barrel	-	20.64 mills per kWh
5.	Retail energy mill rate	-	45.31 mills per kWh
6.	Large industrial energy mill rate	-	19.34 mills per kWh effective January 1, 2000
7.	Firming up charge	-	10.40 mills per kWh January to December
8.	Interest rate collected/charged	-	8.40% per annum effective January 1, 2001.
9.	Retail rate stabilization plan adjustment effective July 1, 2001	-	1.77 mills per kWh
10.	Industrial rate stabilization plan adjustment effective January 1, 2001	-	2.80 mills per kWh

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

September 2001

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE	ACTUAL PRODUCTION	MONTHLY VARIANCE	CUMULATIVE VARIANCE	HYDRO PRODUCTION PLANT	COST OF SERVICE	ACTUAL	VARIANCE	HOLYROOD GENERATING STATION	OTHER GENERATION	AMOUNT
	(GWh)	(GWh)	(GWh)	(GWh)		(GWh)	(GWh)	(GWh)	(GWh)	\$	\$
January	382.42	470.55	88.13	88.13	Bay D'Espoir	178.12	135.72				
February	359.84	456.20	96.36	184.49	Hinds Lake	18.47	12.70				
March	392.94	423.27	30.33	214.82	Upper Salmon	37.92	26.80				
April	362.50	351.60	(10.90)	203.92	Cat Arm	65.80	36.70				
May	368.69	332.43	(36.26)	167.66	Paradise River	<u>1.86</u>	<u>1.80</u>				
June	324.91	287.01	(37.90)	129.76	TOTAL	<u>302.17</u>	<u>213.72</u>	(88.45)			
July	301.53	320.86	19.33	149.09							
August	302.41	328.34	25.93	175.02							
September	302.17	213.72	(88.45)	86.57	Holyrood Generating Station						
October	339.99				88.45/0.000605 x \$12.49				1,826,017.36		
November	362.72										
December	405.20										
TOTAL	<u>4,205.32</u>										

TOTAL

1,826,017.36

(To Page 14)

1. Hydraulic Production Variations: Actual production in September 2001 was 213.72 GWh compared with the Cost of Service Study of 302.17 GWh, a decrease of 88.45 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,826,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.49 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

September 2001

LOAD VARIATIONS

MONTH	FIRM ENERGY SALES				SECONDARY ENERGY SALES			
	COST OF SERVICE SALES (GWh)	ACTUAL SALES (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)	COST OF SERVICE SALES (GWh)	ACTUAL SALES (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)
January	594.30	622.73	28.43	28.43	0.00	0.00	0.00	0.00
February	557.00	586.45	29.45	57.88	0.00	0.00	0.00	0.00
March	552.60	585.11	32.51	90.39	0.00	0.00	0.00	0.00
April	482.30	497.65	15.35	105.74	0.00	0.00	0.00	0.00
May	429.80	441.26	11.46	117.20	0.00	0.00	0.00	0.00
June	370.50	354.34	(16.16)	101.04	0.00	0.00	0.00	0.00
July	345.40	352.32	6.92	107.96	0.00	0.00	0.00	0.00
August	346.10	366.79	20.69	128.65	0.00	0.00	0.00	0.00
September	356.60	342.25	(14.35)	114.30	0.00	0.00	0.00	0.00
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	<u>5,533.30</u>				<u>0.00</u>			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for September 2001 were 342.25 GWh, 14.35 GWh less than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for September 2001 were negligible.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**September 2001**

**LOAD VARIATIONS - Continued**

<u>LOAD VARIATION ELEMENTS</u>	<u>COST OF SERVICE</u> (kWh)	<u>ACTUAL</u> (kWh)	<u>VARIANCE</u> (kWh)	<u>MILL RATE</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales					
Newfoundland Light and Power	<u>256,800,000</u>	<u>260,981,865</u>	4,181,865	(24.67)	(103,166.61)
				(20.64-45.31)	
(b) Large Industrial Firm Energy Sales					
Abitibi-Price (Grand Falls)					
1st Block	14,400,000	3,372,824			
2nd Block	<u>100,000</u>	<u>0</u>			
	14,500,000	3,372,824			
Abitibi-Price (Stephenville)	39,900,000	24,812,043			
Deer Lake Power	1,200,000	1,396,845			
Corner Brook Pulp & Paper	24,300,000	33,827,365			
Albright & Wilson Americas	1,000,000	0			
North Atlantic Refining Ltd.	18,400,000	17,858,600			
Royal Oak Mines Inc.	<u>500,000</u>	<u>0</u>			
	<u>99,800,000</u>	<u>81,267,677</u>	(18,532,323)	1.30	(24,092.02)
				(20.64-19.34)	
TOTAL	<u>356,600,000</u>	<u>342,249,542</u>	<u>(14,350,458)</u>		<u>(127,258.63)</u>
					(To Page 14)
(c) Secondary Energy Sales					
Newfoundland Light and Power	<u>0</u>	<u>4,724</u>	<u>4,724</u>	10.40	<u>(49.13)</u>
					(To Page 14)

\* Albright & Wilson Americas and Royal Oak Mines Inc. are no longer Industrial Customers.

The impact on the Plan from Load Variations comes from three elements.

- (a) Utility Firm Sales - Actual sales were 4.18 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$103,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.64 mills, less the Retail energy rate of 45.31 mills, a difference of 24.67 mills multiplied by 4.18 GWh.
- (b) Large Industrial - Actual sales were 18.53 GWh less than the Cost of Service Study and resulted in a savings to the Plan of \$24,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.64 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.30 mills multiplied by 18.53 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for September were negligible.



NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

September 2001

FUEL COST VARIATIONS

MONTH	FUEL COST			FUEL CONSUMPTION			
	COST OF SERVICE FUEL COST (\$)	ACTUAL FUEL COST (\$)	VARIANCE (\$)	COST OF SERVICE BARRELS (Qty.)	ACTUAL BARRELS (Qty.)	MONTHLY VARIANCE (Qty.)	CUMULATIVE VARIANCE (Qty.)
January	12.31	35.01	22.70	442,711	320,686	(122,025)	(122,025)
February	12.40	34.14	21.74	414,149	280,051	(134,098)	(256,123)
March	12.43	32.47	20.04	348,446	328,999	(19,447)	(275,570)
April	12.45	32.19	19.74	273,719	291,311	17,592	(257,978)
May	12.45	30.28	17.83	169,091	227,709	58,618	(199,360)
June	12.45	29.74	17.29	130,909	153,344	22,435	(176,925)
July	12.48	29.74	17.26	122,975	97,080	(25,895)	(202,820)
August	12.48	28.06	15.58	122,975	109,903	(13,072)	(215,892)
September	12.49	28.13	15.64	142,810	233,132	90,322	(125,570)
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	<u>12.45</u>			<u>3,043,686</u>			

3. Fuel Cost Variations: Actual fuel consumption in September 2001 was 233,132 barrels at the Holyrood Generating Station. This was 90,322 barrels more than the forecast in the Cost of Service Study.
  
4. The fuel cost variation during the month, based on the average fuel cost for the Holyrood Generating Station of \$28.13 per barrel, was \$15.64 per barrel more than provided in the Cost of Service Study. The implications of this fuel price variation for the Rate Stabilization Plan are provided in the next table.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**September 2001**

**FUEL COST VARIATIONS - Continued**

<u>CONSUMPTION SCHEDULE</u>	<u>BARRELS</u> (Qty.)	<u>AVERAGE PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
September 01, 2001 - September 30, 2001	233,317	28.1342	6,564,187.14
Less: Emergency Fuel	(185)	28.1342	(5,204.83)
	<u>233,132</u>	28.1342	<u>6,558,982.31</u>

<u>FUEL COST VARIATION PROVISION</u>	<u>FUEL COST PER BARREL</u>				<u>AMOUNT</u> \$	
<u>COST OF SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$		<u>ACTUAL BARRELS OF FUEL USED</u> (Qty.)		
(a) Holyrood Generating Station	12.49	28.13	15.64	X	233,132	<u>3,646,184.48</u>

(To Page 14)

The charge to the plan resulting from the fuel cost variation is calculated as follows. The average cost of fuel in our tanks at Holyrood was \$28.13 per barrel compared with the Cost of Service estimate of \$12.49 per barrel. The difference \$15.64 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 233,132 barrels in the month results in \$3,646,000 owed by Customers to Hydro for the month.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**September 2001**

**ADJUSTMENT**

	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	260,981,865	(1.77)	(461,937.90)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>4,724</u>	(1.77)	<u>(8.36)</u>
	260,986,589		(461,946.26)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	3,372,824		
2nd Block	<u>0</u>		
	3,372,824		
Abitibi-Price (Stephenville)	24,812,043		
Deer Lake Power	1,396,845		
Corner Brook Pulp & Paper	33,827,365		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	17,858,600		
Royal Oak Mines Inc.	<u>0</u>		
	<u>81,267,677</u>	(2.80)	<u>(227,549.50)</u>
	<u>342,254,266</u>		<u>(689,495.76)</u>

(To Page 16)

Adjustment: The Rate Stabilization Plan balances used for determining rate adjustments are as follows:

	<u>RETAIL</u>	<u>INDUSTRIAL</u>	<u>TOTAL</u>
September 30, 2000	16,827,000	10,480,000	27,307,000
December 31, 2000	22,684,000	12,918,000	35,602,000

Values in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

One third of the amount owing from Industrial customers at September 30, 2000, \$3,493,000 will be recovered over the twelve month period commencing January 1, 2001 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 2.80 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2000, into the amount to be recovered from Industrial customers over the next 12 months.

One third of the amount owing from Retail customers at December 31, 2000, \$7,561,000 will be recovered over the period July 1, 2001 to June 30, 2002 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 1.77 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2000, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 260.99 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$462,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 81.27 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$228,000 of the balance outstanding being recovered from Industrial customers.

NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN

September 2001

OVERALL SUMMARY  
(in thousands of dollars)

MONTH	HYDRAULIC			LOAD VARIATIONS						FUEL COST VARIATIONS		RURAL RATE ALTERATION*			TOTAL TO DATE DUE FROM (TO) CUSTOMERS	
	PRODUCTION VARIATIONS			FIRM			SECONDARY			FUEL COST	RURAL		TOTAL <sup>1</sup> CHANGE			
	PRODUCTION	INTEREST	TO DATE	TOTAL <sup>1</sup> ENERGY SALES	INTEREST TO DATE	TOTAL <sup>1</sup> ENERGY SALES	INTEREST TO DATE	TOTAL <sup>1</sup> ENERGY SALES	INTEREST TO DATE		ADJUST	INTEREST TO DATE				
January	(1,793)	0	(1,793)	(704)	0	(704)	0	0	0	7,280	0	7,280	(71)	0	(71)	4,712
February	(1,975)	(12)	(3,780)	(600)	(5)	(1,309)	0	0	0	6,088	49	13,417	(67)	0	(138)	8,190
March	(623)	(26)	(4,429)	(625)	(9)	(1,943)	0	0	0	6,593	91	20,101	(64)	(1)	(203)	13,526
April	224	(30)	(4,235)	(628)	(13)	(2,584)	0	0	0	5,750	136	25,987	696	(1)	492	19,660
May	746	(28)	(3,517)	(354)	(18)	(2,956)	0	0	0	4,060	176	30,223	(22)	3	473	24,223
June	780	(24)	(2,761)	224	(20)	(2,752)	0	0	0	2,651	204	33,078	(50)	4	427	27,992
July	(399)	(18)	(3,178)	(393)	(19)	(3,164)	0	0	0	1,676	223	34,977	(49)	3	381	29,016
August	(535)	(22)	(3,735)	(488)	(21)	(3,673)	0	0	0	1,712	237	36,926	(46)	3	338	29,856
September	1,826	(25)	(1,934)	(127)	(25)	(3,825)	0	0	0	3,646	250	40,822	(48)	2	292	35,355
October																
November																
December																

<sup>1</sup> Values appearing in brackets indicate amounts due to customers, whereas unbracketed values indicate amounts due from customers.

\* Net revenue/charge received by Hydro as a result of Newfoundland Power's rate adjustments.

Overall Summary: For September 2001, hydraulic production was down 88.45 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,826,000. Utility energy sales were 4.18 GWh more than the Cost of Service Study representing \$103,000 due to retail customers. Large industrial energy sales were 18.53 GWh less than the Cost of Service Study representing \$24,000 due to industrial customers. Secondary energy sales were negligible. Total of these three load items resulted in an amount owing by Hydro to Customers of \$127,000. Fuel consumed was 233,132 barrels at an average cost of \$15.64 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$3,646,000.

Netting all of the adjustments, the charge to the Plan for September 2001 including interest, was an amount owing to Hydro by Customers of \$5,499,000.



**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN**

**September 2001**

**OVERALL SUMMARY  
(in thousands of dollars)**

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN					TOTAL HYDRO							
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD		INDUST. TOTAL TO DATE	TOTAL <sup>(1)</sup> CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE				
	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	RETAIL TOTAL TO DATE	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.					TOTAL TO DATE			
Revised <sup>(2)</sup> Balance forward:						22,684	22,684									12,056	12,056		34,740	34,740
January	2,945	0	2,945	(902)	153	21,935	24,880	1,655	0	1,655	(300)	82	11,838	13,493	4,600	33,773	38,373			
February	2,141	20	5,106	(848)	147	21,234	26,340	1,202	11	2,868	(285)	80	11,633	14,501	7,974	32,867	40,841			
March	3,931	35	9,072	(826)	144	20,552	29,624	1,253	19	4,140	(317)	78	11,394	15,534	13,212	31,946	45,158			
April	4,596	61	13,729	(702)	139	19,989	33,718	1,209	28	5,377	(271)	78	11,201	16,578	19,106	31,190	50,296			
May	3,390	93	17,212	(588)	135	19,536	36,748	964	37	6,378	(295)	76	10,982	17,360	23,590	30,518	54,108			
June	2,871	116	20,199	(449)	132	19,219	39,418	654	43	7,075	(274)	75	10,783	17,858	27,274	30,002	57,276			
July	608	137	20,944	(451)	130	18,898	39,842	166	48	7,289	(273)	72	10,582	17,871	28,233	29,480	57,713			
August	388	141	21,473	(458)	129	18,569	40,042	192	49	7,530	(303)	71	10,350	17,880	29,003	28,919	57,922			
September	4,248	146	25,867	(462)	125	18,232	44,099	996	50	8,576	(228)	71	10,193	18,769	34,443	28,425	62,868			
October																				
November																				
December																				

Interest calculated using Hydro's annual cost of debt at 8.40% beginning January, 2001. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

<sup>(1)</sup> Amount has been adjusted for portion associated with Labrador Interconnected customers

<sup>(2)</sup> In August 2001, the industrial plan was credited for an amount reallocated from rural customers. The effect on the plan was to adjust the opening 2001 balance for industrial customers by (862) which included an amount of (24) attributable for interest. The year-to-date 2001 has been restated to reflect this change. The net effect on the plan for 2001 is (983) which includes interest of (78).

The table opposite shows the breakdown of the Rate Stabilization Plan into the amount owing from Retail and Industrial customers for both the current and previous periods. As of the end of September 2001 the amount owing to Hydro by Retail customers was \$44,099,000 and the amount owing to Hydro by Industrial customers was \$18,769,000.