

- 1 Q. Produce the monthly Rate Stabilization Plan reports from October 2001 to
2 date.
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4
5 A. Please see attached reports.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
October 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

October 2001

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
HYDRO PRODUCTION PLANT											
January	382.42	470.55	88.13	88.13	Bay D'Espoir	206.71	138.35				
February	359.84	456.20	96.36	184.49	Hinds Lake	29.75	21.42				
March	392.94	423.27	30.33	214.82	Upper Salmon	44.01	36.03				
April	362.50	351.60	(10.90)	203.92	Cat Arm	56.41	19.61				
May	368.69	332.43	(36.26)	167.66	Paradise River	3.11	2.16				
June	324.91	287.01	(37.90)	129.76	TOTAL	339.99	217.57	(122.42)			
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	217.57	(122.42)	(35.85)	122.42/0.000605 x \$12.49				2,527,315.37		
November	362.72										
December	405.20										
TOTAL	4,205.32										

TOTAL

2,527,315.37

(To Page 14)

1. Hydraulic Production Variations: Actual production in October 2001 was 217.57 GWh compared with the Cost of Service Study of 339.99 GWh, a decrease of 122.42 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$2,527,000 (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

October 2001

LOAD VARIATIONS

FIRM ENERGY SALES

SECONDARY ENERGY SALES

MONTH	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	415.59	(19.01)	95.29	0.00	0.00	0.00	0.00
November	489.70				0.00			
December	574.40				0.00			
TOTAL	<u>5,533.30</u>				<u>0.00</u>			

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Load Variation:

- (a) **Firm Energy Sales - Actual firm energy sales for October 2001 were 415.59 GWh, 19.01 GWh less than estimated in the Cost of Service Study.**
- (b) **Secondary Energy Sales - Actual secondary energy sales for October 2001 were nil.**

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

October 2001

LOAD VARIATIONS - Continued

<u>LOAD VARIATION ELEMENTS</u>		<u>COST OF SERVICE (kWh)</u>	<u>ACTUAL (kWh)</u>	<u>VARIANCE (kWh)</u>	<u>MILL RATE</u>	<u>AMOUNT \$</u>
(a)	Utility Firm Energy Sales					
	Newfoundland Light and Power	<u>327,700,000</u>	<u>304,749,677</u>	(22,950,323)	(24.67) (20.64-45.31)	566,184.47
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,900,000	9,111,635			
	2nd Block	<u>100,000</u>	<u>33,329</u>			
		15,000,000	9,144,964			
	Abitibi-Price (Stephenville)	42,700,000	44,725,663			
	Deer Lake Power	1,400,000	1,489,976			
	Corner Brook Pulp & Paper	27,000,000	37,794,244			
	Albright & Wilson Americas	1,200,000	0			
	North Atlantic Refining Ltd.	19,000,000	17,682,453			
	Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
		<u>106,900,000</u>	<u>110,837,300</u>	<u>3,937,300</u>	1.30 (20.64-19.34)	<u>5,118.49</u>
	TOTAL	<u>434,600,000</u>	<u>415,586,977</u>	<u>(19,013,023)</u>		<u>571,302.96</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 22.95 GWh less than the Cost of Service Study and resulted in a charge to the Plan of \$566,000 (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 22.95 GWh.
- (b) Large Industrial - Actual sales were 3.94 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$5,000 (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 3.94 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for October were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

October 2001

FUEL COST VARIATIONS

MONTH	FUEL COST			FUEL CONSUMPTION			
	COST OF SERVICE FUEL COST	ACTUAL FUEL COST	VARIANCE	COST OF SERVICE BARRELS	ACTUAL BARRELS	MONTHLY VARIANCE	CUMULATIVE VARIANCE
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(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	27.76	15.27	221,355	357,195	135,840	10,270
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in October 2001 was 357,195 barrels at the Holyrood Generating Station. This was 135,840 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 \$27.76 per barrel, was \$15.27 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

October 2001

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
October 01, 2001 - October 4, 2001	45,349	28.1343	1,275,862.37
October 05, 2001 - October 31, 2001	<u>312,756</u>	<u>27.7045</u>	<u>8,664,748.60</u>
	<u>358,105</u>	<u>27.7589</u>	<u>9,940,610.97</u>
Less: Emergency Fuel	(910)	27.7589	(25,260.60)
	<u>357,195</u>	<u>27.7589</u>	<u>9,915,350.37</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>				
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$	<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.49	27.76	15.27	X 357,195	<u>5,454,367.65</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 \$27.76 per barrel compared with the Cost of Service estimate of \$12.49 per barrel. The difference \$15.27 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 357,195 barrels in the month results in \$5,454,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

October 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	304,749,677	(1.77)	(539,406.93)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	304,749,677		(539,406.93)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	9,111,635		
2nd Block	<u>33,329</u>		
	9,144,964		
Abitibi-Price (Stephenville)	44,725,663		
Deer Lake Power	1,489,976		
Corner Brook Pulp & Paper	37,794,244		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	17,682,453		
Royal Oak Mines Inc.	<u>0</u>		
	<u>110,837,300</u>	(2.80)	(310,344.45)
	<u>415,586,977</u>		<u>(849,751.38)</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
September 30, 2001	44,099,000	18,769,000	62,868,000

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, into the amount to be recovered from Industrial customers over the next 12 months.

During the month, total sales to Retail customers were 304.75 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$540,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 110.84 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$310,000 of the balance outstanding being recovered from Industrial customers.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

October 2001

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC																	
PRODUCTION VARIATIONS							LOAD VARIATIONS				FUEL COST VARIATIONS			RURAL RATE ALTERATION*			TOTAL TO
MONTH	PRODUCTION	INTEREST	TO DATE	FIRM		SECONDARY		FUEL	COST	INTEREST	TO DATE	ADJUST	INTEREST	TO DATE	CUSTOMERS	DATE DUE	
				TOTAL ¹	ENERGY	TOTAL ¹	ENERGY										TOTAL ¹
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	2,527	(13)	580	571	(26)	(3,280)	0	0	0	5,454	276	46,552	(46)	2	248	44,100	
November																	
December																	

¹ 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 October 2001, hydraulic production was down 122.42 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$2,527,000. Utility energy sales were 22.95 GWh less than the Cost of Service Study representing \$566,000 due from retail customers. Large industrial energy sales were 3.94 GWh more than the Cost of Service Study representing \$5,000 due from industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Hydro by Customers of \$571,000. Fuel consumed was 357,195 barrels at an average cost of \$15.27 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,454,000.

Netting all of the adjustments, the charge to the Plan for October 2001 including interest, was an amount owing to Hydro by Customers of \$8,745,000.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

October 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 ⁽¹⁾ 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 ⁽²⁾ 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	6,707	175	32,749	(540)	124	17,816	50,565	1,629	59	10,264	(310)	68	9,951	20,215	43,013	27,767	70,780	
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.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ 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 (1,181) which includes interest of (97).

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 October 2001 the amount owing to Hydro by Retail customers was \$50,565,000 and the amount owing to Hydro by Industrial customers was \$20,215,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
November 2001

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SUMMARY**

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| 2. Cost of Service oil price | - \$12.50 per barrel |
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| 4. Holyrood mill rate based on \$12.50 per barrel | - 20.66 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

November 2001

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
					<u>HYDRO PRODUCTION PLANT</u>						
January	382.42	470.55	88.13	88.13	Bay D'Espoir	217.68	163.81				
February	359.84	456.20	96.36	184.49	Hinds Lake	34.88	8.30				
March	392.94	423.27	30.33	214.82	Upper Salmon	46.35	22.02				
April	362.50	351.60	(10.90)	203.92	Cat Arm	59.84	39.04				
May	368.69	332.43	(36.26)	167.66	Paradise River	3.97	3.95				
June	324.91	287.01	(37.90)	129.76	TOTAL	<u>362.72</u>	<u>237.12</u>	(125.60)			
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	217.57	(122.42)	(35.85)	125.60/0.000605 x \$12.50				2,595,041.32		
November	362.72	237.12	(125.60)	(161.45)							
December	405.20										
TOTAL	<u>4,205.32</u>										

TOTAL

2,595,041.32

(To Page 14)

1. **Hydraulic Production Variations:** Actual production in November 2001 was 237.12 GWh compared with the Cost of Service Study of 362.72 GWh, a decrease of 125.60 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$2,595,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.50 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

November 2001

LOAD VARIATIONS

FIRM ENERGY SALES					SECONDARY ENERGY SALES			
MONTH	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	415.59	(19.01)	95.29	0.00	0.00	0.00	0.00
November	489.70	486.64	(3.06)	92.23	0.00	0.00	0.00	0.00
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2 .

Load Variation:

- (a) **Firm Energy Sales - Actual firm energy sales for November 2001 were 486.64 GWh, 3.06 GWh less than estimated in the Cost of Service Study.**
- (b) **Secondary Energy Sales - Actual secondary energy sales for November 2001 were negligible.**

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

November 2001

LOAD VARIATIONS - Continued

LOAD VARIATION ELEMENTS		COST OF SERVICE (kWh)	ACTUAL (kWh)	VARIANCE (kWh)	MILL RATE	AMOUNT \$
(a)	Utility Firm Energy Sales					
	Newfoundland Light and Power	386,500,000	401,704,514	15,204,514	(24.65)	(374,791.27)
					(20.66-45.31)	
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,400,000	2,580,578			
	2nd Block	100,000	2,995			
		14,500,000	2,583,573			
	Abitibi-Price (Stephenville)	41,300,000	30,539,829			
	Deer Lake Power	1,300,000	1,435,822			
	Corner Brook Pulp & Paper	26,000,000	35,387,845			
	Albright & Wilson Americas	1,200,000	0			
	North Atlantic Refining Ltd.	18,400,000	14,989,782			
	Royal Oak Mines Inc.	500,000	0			
		103,200,000	84,936,851	(18,263,149)	1.32	(24,107.36)
					(20.66-19.34)	
	TOTAL	489,700,000	486,641,365	(3,058,635)		(398,898.63)
						(To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	0	757	757	10.40	(7.87)
						(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 15.20 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$375,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.66 mills, less the Retail energy rate of 45.31 mills, a difference of 24.65 mills multiplied by 15.20 GWh.
- (b) Large Industrial - Actual sales were 18.26 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 20.66 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.32 mills multiplied by 18.26 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for November were negligible.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

November 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	27.76	15.27	221,355	357,195	135,840	10,270
November	12.50	26.98	14.48	285,620	440,945	155,325	165,595
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. **Fuel Cost Variations:** Actual fuel consumption in November 2001 was 440,945 barrels at the Holyrood Generating Station. This was 155,325 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 \$26.98 per barrel, was \$14.48 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

November 2001

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
November 01, 2001 - November 29, 2001	414,835	27.0977	11,241,074.38
November 30, 2001	26,688	25.1343	670,784.20
	<u>441,523</u>	26.9790	<u>11,911,858.58</u>
Less: Emergency Fuel	(578)	26.9790	(15,593.86)
	<u>440,945</u>	26.9790	<u>11,896,264.72</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>				
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$		<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)
					<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.50	26.98	14.48	X	440,945
					<u>6,384,883.60</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 \$26.98 per barrel compared with the Cost of Service estimate of \$12.50 per barrel. The difference \$14.48 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 440,945 barrels in the month results in \$6,385,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

November 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	401,704,514	(1.77)	(711,016.99)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>757</u>	(1.77)	<u>(1.34)</u>
	401,705,271		(711,018.33)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	2,580,578		
2nd Block	<u>2,995</u>		
	2,583,573		
Abitibi-Price (Stephenville)	30,539,829		
Deer Lake Power	1,435,822		
Corner Brook Pulp & Paper	35,387,845		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	14,989,782		
Royal Oak Mines Inc.	<u>0</u>		
	84,936,851	(2.80)	(237,823.18)
	<u>486,642,122</u>		<u>(948,841.51)</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
September 30, 2001	44,099,000	18,769,000	62,868,000

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, into the amount to be recovered from Industrial customers over the next 12 months.

During the month, total sales to Retail customers were 401.71 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$711,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 84.94 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$238,000 of the balance outstanding being recovered from Industrial customers.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

November 2001

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC				LOAD VARIATIONS						FUEL COST VARIATIONS			RURAL RATE ALTERATION*			TOTAL TO DATE DUE FROM (TO) CUSTOMERS
PRODUCTION VARIATIONS				FIRM		SECONDARY		FUEL COST	RURAL		TOTAL ¹ CHANGE	TOTAL ¹ INTEREST TO DATE				
MONTH	PRODUCTION	INTEREST	TOTAL ¹ TO DATE	ENERGY SALES	TOTAL ¹ INTEREST TO DATE	ENERGY SALES	TOTAL ¹ INTEREST TO DATE									
January	(1,793)	0	(1,793)	(704)	0	(704)	0	0	0	7,280	0	7,280	(71)	0	(71)	
February	(1,975)	(12)	(3,780)	(600)	(5)	(1,309)	0	0	0	6,088	49	13,417	(67)	0	(138)	
March	(623)	(26)	(4,429)	(625)	(9)	(1,943)	0	0	0	6,593	91	20,101	(64)	(1)	(203)	
April	224	(30)	(4,235)	(628)	(13)	(2,584)	0	0	0	5,750	136	25,987	696	(1)	492	
May	746	(28)	(3,517)	(354)	(18)	(2,956)	0	0	0	4,060	176	30,223	(22)	3	473	
June	780	(24)	(2,761)	224	(20)	(2,752)	0	0	0	2,651	204	33,078	(50)	4	427	
July	(399)	(18)	(3,178)	(393)	(19)	(3,164)	0	0	0	1,676	223	34,977	(49)	3	381	
August	(535)	(22)	(3,735)	(488)	(21)	(3,673)	0	0	0	1,712	237	36,926	(46)	3	338	
September	1,826	(25)	(1,934)	(127)	(25)	(3,825)	0	0	0	3,646	250	40,822	(48)	2	292	
October	2,527	(13)	580	571	(26)	(3,280)	0	0	0	5,454	276	46,552	(46)	2	248	
November	2,595	4	3,179	(399)	(22)	(3,701)	0	0	0	6,385	315	53,252	(49)	2	201	
December																

¹ 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 November 2001, hydraulic production was down 125.60 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$2,595,000. Utility energy sales were 15.20 GWh more than the Cost of Service Study representing \$375,000 due to retail customers. Large industrial energy sales were 18.26 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 to Customers by Hydro of \$399,000. Fuel consumed was 440,945 barrels at an average cost of \$14.48 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$6,385,000.

Netting all of the adjustments, the charge to the Plan for November 2001 including interest, was an amount owing to Hydro by Customers of \$8,831,000.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

November 2001

OVERALL SUMMARY (in thousands of dollars)

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL HYDRO		
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD				TOTAL ⁽¹⁾ 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	INDUST. TOTAL TO DATE			
Revised ⁽²⁾ 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	6,707	175	32,749	(540)	124	17,816	50,565	1,629	59	10,264	(310)	68	9,951	20,215	43,013	27,767	70,780
November	6,797	221	39,767	(711)	120	17,225	56,992	1,638	69	11,971	(238)	68	9,781	21,752	51,738	27,006	78,744
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.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ 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 (1,305) which includes interest of (110).

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 November 2001 the amount owing to Hydro by Retail customers was \$56,992,000 and the amount owing to Hydro by Industrial customers was \$21,752,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
December 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 | - | \$12.50 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 605 kWh. per bbl. |
| 4. | Holyrood mill rate based on \$12.50 per barrel | - | 20.66 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

December 2001

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
					<u>HYDRO PRODUCTION PLANT</u>						
January	382.42	470.55	88.13	88.13	Bay D'Espoir	262.23	176.53				
February	359.84	456.20	96.36	184.49	Hinds Lake	36.90	27.61				
March	392.94	423.27	30.33	214.82	Upper Salmon	55.84	41.67				
April	362.50	351.60	(10.90)	203.92	Cat Arm	46.29	65.44				
May	368.69	332.43	(36.26)	167.66	Paradise River	3.94	3.44				
June	324.91	287.01	(37.90)	129.76	TOTAL	405.20	314.69	(90.51)			
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	217.57	(122.42)	(35.85)	90.51/0.000605 x \$12.50				1,870,041.32		
November	362.72	237.12	(125.60)	(161.45)							
December	405.20	314.69	(90.51)	(251.96)							
TOTAL	4,205.32	3,953.36	(251.96)								

TOTAL

1,870,041.32

(To Page 14)

1. Hydraulic Production Variations: Actual production in December 2001 was 314.69 GWh compared with the Cost of Service Study of 405.20 GWh, a decrease of 90.51 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,870,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.50 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

December 2001

LOAD VARIATIONS

FIRM ENERGY SALES

SECONDARY ENERGY SALES

MONTH	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	415.59	(19.01)	95.29	0.00	0.00	0.00	0.00
November	489.70	486.64	(3.06)	92.23	0.00	0.00	0.00	0.00
December	574.40	575.98	1.58	93.81	0.00	0.00	0.00	0.00
TOTAL	<u>5,533.30</u>	<u>5,627.11</u>	<u>93.81</u>		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	

2 .

Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for December 2001 were 575.98 GWh, 1.58 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for December 2001 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

December 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	477,500,000	476,941,151	(558,849)	(24.65)	13,775.63
					(20.66-45.31)	
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	13,000,000	6,306,934			
	2nd Block	100,000	12,007			
		13,100,000	6,318,941			
	Abitibi-Price (Stephenville)	36,500,000	30,871,831			
	Deer Lake Power	1,300,000	1,488,000			
	Corner Brook Pulp & Paper	24,800,000	39,855,866			
	Albright & Wilson Americas	1,600,000	0			
	North Atlantic Refining Ltd.	19,000,000	20,509,124			
	Royal Oak Mines Inc.	600,000	0			
		96,900,000	99,043,762	2,143,762	1.32	2,829.77
					(20.66-19.34)	
	TOTAL	574,400,000	575,984,913	1,584,913		16,605.40
						(To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	0	0	0	10.40	0.00
						(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 0.56 GWh less than the Cost of Service Study and resulted in a charge to the Plan of \$14,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.66 mills, less the Retail energy rate of 45.31 mills, a difference of 24.65 mills multiplied by 0.56 GWh.
- (b) Large Industrial - Actual sales were 2.14 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$3,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.66 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.32 mills multiplied by 2.14 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for December were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

December 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	27.76	15.27	221,355	357,195	135,840	10,270
November	12.50	26.98	14.48	285,620	440,945	155,325	165,595
December	12.50	24.81	12.31	368,926	453,620	84,694	250,289
TOTAL	12.45	29.69	17.24	3,043,686	3,293,975	250,289	

3. Fuel Cost Variations: Actual fuel consumption in December 2001 was 453,620 barrels at the Holyrood Generating Station. This was 84,694 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 \$24.81 per barrel, was \$12.31 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

December 2001

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
December 01, 2001 - December 10, 2001	153,441	25.1951	3,865,961.34
December 11, 2001 - December 26, 2001	229,431	24.6945	5,665,683.83
December 27, 2001 - December 31, 2001	89,332	24.4449	2,183,711.81
	<u>472,204</u>	<u>24.8099</u>	<u>11,715,356.98</u>
Less: Emergency Fuel	(18,584)	24.8099	(461,067.18)
	<u>453,620</u>	<u>24.8099</u>	<u>11,254,289.80</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>					
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$		<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.50	24.81	12.31	X	453,620	<u>5,584,062.20</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 \$24.81 per barrel compared with the Cost of Service estimate of \$12.50 per barrel. The difference \$12.31 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 453,620 barrels in the month results in \$5,584,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

December 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	476,941,151	(1.77)	(844,185.84)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	476,941,151		(844,185.84)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	6,306,934		
2nd Block	<u>12,007</u>		
	6,318,941		
Abitibi-Price (Stephenville)	30,871,831		
Deer Lake Power	1,488,000		
Corner Brook Pulp & Paper	39,855,866		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	20,509,124		
Royal Oak Mines Inc.	<u>0</u>		
	<u>99,043,762</u>	(2.80)	<u>(277,322.55)</u>
	<u>575,984,913</u>		<u>(1,121,508.39)</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
September 30, 2001	44,099,000	18,769,000	62,868,000

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, into the amount to be recovered from Industrial customers over the next 12 months.

During the month, total sales to Retail customers were 476.94 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$844,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 99.04 GWh and when multiplied by the recovery rate of 2.80 mills per kWh results in \$277,000 of the balance outstanding being recovered from Industrial customers.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

December 2001

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC PRODUCTION VARIATIONS				LOAD VARIATIONS				FUEL COST VARIATIONS				RURAL RATE ALTERATION*				TOTAL TO
MONTH	PRODUCTION	INTEREST TO DATE	TOTAL ¹ ENERGY	SALES	INTEREST TO DATE	TOTAL ¹ ENERGY	SALES	INTEREST TO DATE	TOTAL ¹ FUEL	COST	INTEREST TO DATE	TOTAL ¹ CHANGE	RURAL ADJUST	INTEREST TO DATE	TOTAL ¹	DATE DUE FROM (TO) CUSTOMERS
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	2,527	(13)	580	571	(26)	(3,280)	0	0	0	5,454	276	46,552	(46)	2	248	44,100
November	2,595	4	3,179	(399)	(22)	(3,701)	0	0	0	6,385	315	53,252	(49)	2	201	52,931
December	1,870	22	5,071	17	(26)	(3,710)	0	0	0	5,584	360	59,196	(59)	1	143	60,700

¹ 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 December 2001, hydraulic production was down 90.51 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,870,000. Utility energy sales were 0.56 GWh less than the Cost of Service Study representing \$14,000 due from retail customers. Large industrial energy sales were 2.14 GWh more than the Cost of Service Study representing \$3,000 due from industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Hydro by Customers of \$17,000. Fuel consumed was 453,620 barrels at an average cost of \$12.31 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,584,000.

Netting all of the adjustments, the charge to the Plan for December 2001 including interest, was an amount owing to Hydro by Customers of \$7,769,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

December 2001

OVERALL SUMMARY
(in thousands of dollars)

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL HYDRO		
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD				TOTAL ⁽¹⁾ 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	INDUST. TOTAL TO DATE			
Revised ⁽²⁾ 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	6,707	175	32,749	(540)	124	17,816	50,565	1,629	59	10,264	(310)	68	9,951	20,215	43,013	27,767	70,780
November	6,797	221	39,767	(711)	120	17,225	56,992	1,638	69	11,971	(238)	68	9,781	21,752	51,738	27,006	78,744
December	3,767	269	43,803	(844)	116	16,497	60,300	3,146	81	15,198	(277)	66	9,570	24,768	59,001	26,067	85,068

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.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ 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 (1,809) which includes interest of (125).

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 December 2001 the amount owing to Hydro by Retail customers was \$60,300,000 and the amount owing to Hydro by Industrial customers was \$24,768,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
January 2002

**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 | - | \$12.31 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 605 kWh per bbl |
| 4. | Holyrood mill rate based on \$12.31 per barrel | - | 20.35 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 | - | 7.25% per annum effective January 1, 2002 |
| 9. | Retail rate stabilization plan adjustment effective July 1, 2001 | - | 1.77 mills per kWh |
| 10. | Industrial rate stabilization plan adjustment effective January 1, 2002 | - | 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
HYDRO PRODUCTION PLANT											
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	231.14	208.12				
February	359.84				Hinds Lake	47.16	36.23				
March	392.94				Upper Salmon	49.22	39.84				
April	362.50				Cat Arm	51.57	73.22				
May	368.69				Paradise River	3.33	3.55				
June	324.91				TOTAL	<u>382.42</u>	<u>360.96</u>	(21.46)			
July	301.53										
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				21.46/0.000605 x \$12.31				436,648.93		
November	362.72										
December	<u>405.20</u>										
TOTAL	<u>4,205.32</u>										

TOTAL

436,648.93

(To Page 14)

1. Hydraulic Production Variations: Actual production in January 2002 was 360.96 GWh compared with the Cost of Service Study of 382.42 GWh, a decrease of 21.46 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$437,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.31 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

LOAD VARIATIONS

FIRM ENERGY SALES					SECONDARY ENERGY SALES			
MONTH	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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00				0.00			
March	552.60				0.00			
April	482.30				0.00			
May	429.80				0.00			
June	370.50				0.00			
July	345.40				0.00			
August	346.10				0.00			
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for January 2002 were 631.06 GWh, 36.76 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for January 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

January 2002

LOAD VARIATIONS - Continued

<u>LOAD VARIATION ELEMENTS</u>		<u>COST OF SERVICE (kWh)</u>	<u>ACTUAL (kWh)</u>	<u>VARIANCE (kWh)</u>	<u>MILL RATE</u>	<u>AMOUNT \$</u>
(a)	Utility Firm Energy Sales					
	Newfoundland Light and Power	<u>487,300,000</u>	<u>527,550,627</u>	40,250,627	(24.96)	(1,004,655.65)
					(20.35-45.31)	
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,400,000	6,952,529			
	2nd Block	<u>1,800,000</u>	<u>0</u>			
		16,200,000	6,952,529			
	Abitibi-Price (Stephenville)	41,300,000	35,414,193			
	Deer Lake Power	1,400,000	1,487,784			
	Corner Brook Pulp & Paper	27,000,000	40,411,406			
	Albright & Wilson Americas	1,500,000	0			
	North Atlantic Refining Ltd.	19,000,000	19,242,055			
	Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
		<u>107,000,000</u>	<u>103,507,967</u>	(3,492,033)	1.01	(3,526.95)
					(20.35-19.34)	
	TOTAL	<u>594,300,000</u>	<u>631,058,594</u>	<u>36,758,594</u>		<u>(1,008,182.60)</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 40.25 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$1,005,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.35 mills, less the Retail energy rate of 45.31 mills, a difference of 24.96 mills multiplied by 40.25 GWh.
- (b) Large Industrial - Actual sales were 3.49 GWh less than the Cost of Service Study and resulted in a savings to the Plan of \$3,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.35 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.01 mills multiplied by 3.49 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for January 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

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	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40			414,149			
March	12.43			348,446			
April	12.45			273,719			
May	12.45			169,091			
June	12.45			130,909			
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in January 2002 was 492,120 barrels at the Holyrood Generating Station. This was 49,409 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 \$24.42 per barrel, was \$12.11 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

January 2002

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

PERIOD:	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
January 01, 2002 - January 11, 2002	184,014	24.4846	4,505,509.18
January 12, 2002 - January 26, 2002	214,212	24.3782	5,222,102.98
January 27, 2002 - January 31, 2002	94,456	24.3634	2,301,269.31
	<u>492,682</u>	<u>24.4151</u>	<u>12,028,881.47</u>
Less: Emergency Fuel	(562)	24.4151	(13,721.29)
	<u>492,120</u>	<u>24.4151</u>	<u>12,015,160.18</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>				
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$	<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.31	24.42	12.11	X 492,120	<u>5,959,573.20</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 \$24.42 per barrel compared with the Cost of Service estimate of \$12.31 per barrel. The difference \$12.11 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 492,120 barrels in the month results in \$5,960,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

ADJUSTMENT			
	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	527,550,627	(1.77)	(933,764.61)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	527,550,627		(933,764.61)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	6,952,529		
2nd Block	<u>0</u>		
	6,952,529		
Abitibi-Price (Stephenville)	35,414,193		
Deer Lake Power	1,487,784		
Corner Brook Pulp & Paper	40,411,406		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	19,242,055		
Royal Oak Mines Inc.	<u>0</u>		
	103,507,967	(5.14)	(532,030.95)
	<u>631,058,594</u>		<u>(1,465,795.56)</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>
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 527.55 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$934,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 103.51 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$532,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

OVERALL SUMMARY
(in thousands of dollars)

HYDRAULIC				LOAD VARIATIONS						FUEL COST VARIATIONS			RURAL RATE ALTERATION*			TOTAL TO	
PRODUCTION VARIATIONS																DATE DUE	
				FIRM		SECONDARY							RURAL				FROM (TO)
TOTAL ¹ ENERGY				TOTAL ¹ ENERGY		TOTAL ¹ ENERGY				FUEL	TOTAL ¹ CHANGE		TOTAL ¹				
MONTH	PRODUCTION	INTEREST TO DATE	SALES	INTEREST TO DATE	SALES	INTEREST TO DATE	SALES	INTEREST TO DATE	COST	INTEREST TO DATE	ADJUST	INTEREST TO DATE	CUSTOMERS				
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346	
February																	
March																	
April																	
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	

¹ 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 January 2002, hydraulic production was down 21.46 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$437,000. Utility energy sales were 40.25 GWh more than the Cost of Service Study representing \$1,005,000 due to retail customers. Large industrial energy sales were 3.49 GWh less than the Cost of Service Study representing \$3,000 due to industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$1,008,000. Fuel consumed was 492,120 barrels at an average cost of \$12.11 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,960,000.

Netting all of the adjustments, the charge to the Plan for January 2002 including interest, was an amount owing to Hydro by Customers of \$5,346,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2002

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 ⁽¹⁾ 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 ⁽²⁾ Balance forward:																	
January	2,862	0	2,862	(934)	352	59,787	60,369	60,369						24,878	24,878		85,247
February																85,247	85,247
March																	
April																	
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase the industrial customers by 110.

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 January 2002 the amount owing to Hydro by Retail customers was \$62,649,000 and the amount owing to Hydro by Industrial customers was \$26,515,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
February 2002

**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 | - | \$12.40 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 605 kWh per bbl |
| 4. | Holyrood mill rate based on \$12.40 per barrel | - | 20.50 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 | - | 7.25% per annum effective January 1, 2002 |
| 9. | Retail rate stabilization plan adjustment effective July 1, 2001 | - | 1.77 mills per kWh |
| 10. | Industrial rate stabilization plan adjustment effective January 1, 2002 | - | 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
					HYDRO PRODUCTION PLANT						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	213.97	208.52				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	41.00	33.44				
March	392.94				Upper Salmon	45.56	39.68				
April	362.50				Cat Arm	56.41	68.43				
May	368.69				Paradise River	2.90	2.48				
June	324.91				TOTAL	<u>359.84</u>	<u>352.55</u>	(7.29)			
July	301.53										
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				7.29/0.000605 x \$12.40				149,414.88		
November	362.72										
December	<u>405.20</u>										
TOTAL	<u>4,205.32</u>										

TOTAL

149,414.88

(To Page 14)

1. Hydraulic Production Variations: Actual production in February 2002 was 352.55 GWh compared with the Cost of Service Study of 359.84 GWh, a decrease of 7.29 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$149,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.40 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

LOAD VARIATIONS

FIRM ENERGY SALES					SECONDARY ENERGY SALES			
MONTH	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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
March	552.60				0.00			
April	482.30				0.00			
May	429.80				0.00			
June	370.50				0.00			
July	345.40				0.00			
August	346.10				0.00			
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for February 2002 were 597.51 GWh, 40.51 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for February 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

February 2002

LOAD VARIATIONS - Continued

<u>LOAD VARIATION ELEMENTS</u>		<u>COST OF SERVICE (kWh)</u>	<u>ACTUAL (kWh)</u>	<u>VARIANCE (kWh)</u>	<u>MILL RATE</u>	<u>AMOUNT \$</u>
(a)	Utility Firm Energy Sales					
	Newfoundland Light and Power	<u>460,400,000</u>	<u>489,397,445</u>	28,997,445	(24.81) (20.50-45.31)	(719,426.61)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	13,400,000	7,307,657			
	2nd Block	<u>300,000</u>	<u>0</u>			
		13,700,000	7,307,657			
	Abitibi-Price (Stephenville)	38,500,000	39,769,986			
	Deer Lake Power	1,200,000	1,343,553			
	Corner Brook Pulp & Paper	24,300,000	40,236,908			
	Albright & Wilson Americas	1,200,000	0			
	North Atlantic Refining Ltd.	17,200,000	19,458,372			
	Royal Oak Mines Inc.	<u>500,000</u>	<u>0</u>			
		<u>96,600,000</u>	<u>108,116,476</u>	<u>11,516,476</u>	1.16 (20.50-19.34)	<u>13,359.11</u>
	TOTAL	<u>557,000,000</u>	<u>597,513,921</u>	<u>40,513,921</u>		<u>(706,067.50)</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 29.00 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$719,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.50 mills, less the Retail energy rate of 45.31 mills, a difference of 24.81 mills multiplied by 29.00 GWh.
- (b) Large Industrial - Actual sales were 11.52 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$13,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.50 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.16 mills multiplied by 11.52 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for February 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

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	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43			348,446			
April	12.45			273,719			
May	12.45			169,091			
June	12.45			130,909			
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in February 2002 was 435,920 barrels at the Holyrood Generating Station. This was 21,771 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 \$24.33 per barrel, was \$11.93 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

February 2002

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
February 01, 2002 - February 25, 2002	405,975	24.3826	9,898,726.04
February 26, 2002 - February 28, 2002	<u>32,726</u>	23.6795	<u>774,935.32</u>
	438,701	24.3302	10,673,661.36
Less: Emergency Fuel	<u>(2,781)</u>	24.3302	<u>(67,662.29)</u>
	<u>435,920</u>	24.3302	<u>10,605,999.07</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>					
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$		<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.40	24.33	11.93	X	435,920	<u>5,200,525.60</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 \$24.33 per barrel compared with the Cost of Service estimate of \$12.40 per barrel. The difference \$11.93 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 435,920 barrels in the month results in \$5,201,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

ADJUSTMENT

	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	489,397,445	(1.77)	(866,233.48)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	489,397,445		(866,233.48)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	7,307,657		
2nd Block	<u>0</u>		
	7,307,657		
Abitibi-Price (Stephenville)	39,769,986		
Deer Lake Power	1,343,553		
Corner Brook Pulp & Paper	40,236,908		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	19,458,372		
Royal Oak Mines Inc.	<u>0</u>		
	<u>108,116,476</u>	(5.14)	(555,718.69)
	<u>597,513,921</u>		<u>(1,421,952.17)</u>

(To Page 16)

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

	RETAIL	INDUSTRIAL	TOTAL
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 489.40 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$866,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 108.12 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$556,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

OVERALL SUMMARY
(in thousands of dollars)

HYDRAULIC																
PRODUCTION VARIATIONS				LOAD VARIATIONS				FUEL COST VARIATIONS				RURAL RATE ALTERATION*				TOTAL TO
MONTH	PRODUCTION	INTEREST TO DATE	SALES	FIRM		SECONDARY		FUEL COST	INTEREST TO DATE	ADJUST	RURAL	TOTAL ¹ CHANGE	INTEREST TO DATE	TOTAL ¹	DATE DUE	FROM (TO)
				TOTAL ¹ ENERGY	INTEREST TO DATE	TOTAL ¹ ENERGY	INTEREST TO DATE									
January	437	0	437 (1,008)	0 (1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346		
February	149	3	589 (706)	(6) (1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969		
March																
April																
May																
June																
July																
August																
September																
October																
November																
December																

¹ 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 February 2002, hydraulic production was down 7.29 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$149,000. Utility energy sales were 29.00 GWh more than the Cost of Service Study representing \$719,000 due to retail customers. Large industrial energy sales were 11.52 GWh more than the Cost of Service Study representing \$13,000 due from industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$706,000. Fuel consumed was 435,920 barrels at an average cost of \$11.93 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,201,000.

Netting all of the adjustments, the charge to the Plan for February 2002 including interest, was an amount owing to Hydro by Customers of \$4,623,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2002

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 ⁽¹⁾ 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 ⁽²⁾ Balance forward:						60,369	60,369						24,878	24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164
February	4,985	16	7,863	(866)	349	59,270	67,133	(104)	12	1,932	(556)	143	24,078	26,010	9,795	83,348	93,143
March																	
April																	
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase the industrial customers by 110.

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 February 2002 the amount owing to Hydro by Retail customers was \$67,133,000 and the amount owing to Hydro by Industrial customers was \$26,010,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
March 2002

**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 | - \$12.43 per barrel |
| 3. Holyrood average annual operating efficiency | - 605 kWh per bbl |
| 4. Holyrood mill rate based on \$12.43 per barrel | - 20.55 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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

March 2002

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
					HYDRO PRODUCTION PLANT						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	215.35	227.98				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	36.90	27.97				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	45.85	43.49				
April	362.50				Cat Arm	91.14	64.93				
May	368.69				Paradise River	3.70	4.65				
June	324.91				TOTAL	<u>392.94</u>	<u>369.02</u>	(23.92)			
July	301.53										
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				23.92/0.000605 x \$12.43				491,447.27		
November	362.72										
December	405.20										
TOTAL	<u>4,205.32</u>										

TOTAL

491,447.27

(To Page 14)

1. Hydraulic Production Variations: Actual production in March 2002 was 369.02 GWh compared with the Cost of Service Study of 392.94 GWh, a decrease of 23.92 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$491,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.43 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

March 2002

LOAD VARIATIONS

FIRM ENERGY SALES

SECONDARY ENERGY SALES

MONTH	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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
March	552.60	600.97	48.37	125.64	0.00	0.00	0.00	0.00
April	482.30				0.00			
May	429.80				0.00			
June	370.50				0.00			
July	345.40				0.00			
August	346.10				0.00			
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for March 2002 were 600.97 GWh, 48.37 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for March 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

March 2002

LOAD VARIATIONS - Continued

<u>LOAD VARIATION ELEMENTS</u>		<u>COST OF SERVICE (kWh)</u>	<u>ACTUAL (kWh)</u>	<u>VARIANCE (kWh)</u>	<u>MILL RATE</u>	<u>AMOUNT \$</u>
(a)	Utility Firm Energy Sales					
	Newfoundland Light and Power	<u>446,400,000</u>	<u>492,768,129</u>	46,368,129	(24.76) (20.55-45.31)	(1,148,074.87)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,900,000	3,405,443			
	2nd Block	<u>2,000,000</u>	<u>0</u>			
		16,900,000	3,405,443			
	Abitibi-Price (Stephenville)	39,900,000	31,889,053			
	Deer Lake Power	1,400,000	1,488,000			
	Corner Brook Pulp & Paper	27,000,000	50,564,714			
	Albright & Wilson Americas	1,400,000	0			
	North Atlantic Refining Ltd.	19,000,000	20,858,975			
	Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
		<u>106,200,000</u>	<u>108,206,185</u>	<u>2,006,185</u>	1.21 (20.55-19.34)	<u>2,427.48</u>
	TOTAL	<u>552,600,000</u>	<u>600,974,314</u>	<u>48,374,314</u>		<u>(1,145,647.39)</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 46.37 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$1,148,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.55 mills, less the Retail energy rate of 45.31 mills, a difference of 24.76 mills multiplied by 46.37 GWh.
- (b) Large Industrial - Actual sales were 2.00 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$2,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.55 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.21 mills multiplied by 2.00 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for March 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

March 2002

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	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45			273,719			
May	12.45			169,091			
June	12.45			130,909			
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in March 2002 was 429,203 barrels at the Holyrood Generating Station. This was 80,757 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 \$26.22 per barrel, was \$13.79 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

March 2002

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

PERIOD:

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
March 01, 2002 - March 07, 2002	116,804	23.7639	2,775,718.58
March 08, 2002 - March 25, 2002	222,500	26.6883	5,938,146.75
March 26, 2002 - March 31, 2002	<u>91,087</u>	<u>28.2457</u>	<u>2,572,816.08</u>
	430,391	26.2243	11,286,681.41
Less: Emergency Fuel	<u>(1,188)</u>	<u>26.2243</u>	<u>(31,154.47)</u>
	<u>429,203</u>	<u>26.2243</u>	<u>11,255,526.94</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>					
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$		<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.43	26.22	13.79	X	429,203	<u>5,918,709.37</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 \$26.22 per barrel compared with the Cost of Service estimate of \$12.43 per barrel. The difference \$13.79 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 429,203 barrels in the month results in \$5,919,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

March 2002

ADJUSTMENT

	<u>ACTUAL</u> (kWh)	<u>MILL RATE</u> <u>ADJUSTMENT</u>	<u>AMOUNT</u> \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	492,768,129	(1.77)	(872,199.59)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	492,768,129		(872,199.59)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	3,405,443		
2nd Block	<u>0</u>		
	3,405,443		
Abitibi-Price (Stephenville)	31,889,053		
Deer Lake Power	1,488,000		
Corner Brook Pulp & Paper	50,564,714		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	20,858,975		
Royal Oak Mines Inc.	<u>0</u>		
	<u>108,206,185</u>	(5.14)	<u>(556,179.79)</u>
	<u>600,974,314</u>		<u>(1,428,379.38)</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>
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 492.77 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$872,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 108.21 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$556,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

March 2002

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC			LOAD VARIATIONS							FUEL COST VARIATIONS			RURAL RATE ALTERATION*			TOTAL TO
PRODUCTION VARIATIONS																DATE DUE
MONTH	PRODUCTION	INTEREST TO DATE	FIRM		SECONDARY		FUEL	COST	INTEREST TO DATE	ADJUST	RURAL	TOTAL ¹	CHANGE	TOTAL ¹	INTEREST TO DATE	CUSTOMERS
			SALES	INTEREST TO DATE	SALES	INTEREST TO DATE										
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)	15,246
April																
May																
June																
July																
August																
September																
October																
November																
December																

¹ 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 March 2002, hydraulic production was down 23.92 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$491,000. Utility energy sales were 46.37 GWh more than the Cost of Service Study representing \$1,148,000 due to retail customers. Large industrial energy sales were 2.00 GWh more than the Cost of Service Study representing \$2,000 due from industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$1,146,000. Fuel consumed was 429,203 barrels at an average cost of \$13.79 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,919,000.

Netting all of the adjustments, the charge to the Plan for March 2002 including interest, was an amount owing to Hydro by Customers of \$5,277,000.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

March 2002

OVERALL SUMMARY (in thousands of dollars)

MONTH	RETAIL CUSTOMER PLAN						INDUSTRIAL CUSTOMER PLAN						TOTAL HYDRO		
	CURRENT PERIOD			PRIOR PERIOD			CURRENT PERIOD			PRIOR PERIOD			TOTAL ⁽¹⁾ CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE	ACTIVITY	INT.	TOTAL TO DATE	ADJ.	INT.	TOTAL TO DATE			
Revised ⁽²⁾ Balance forward:						60,369						24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	2,024	0	2,024	(532)	145	24,491	4,886	84,278	89,164
February	4,979	16	7,857	(866)	349	59,270	(104)	12	1,932	(556)	143	24,078	9,789	83,348	93,137
March	3,811	46	11,714	(872)	346	58,744	1,309	11	3,252	(556)	140	23,662	14,966	82,406	97,372
April															
May															
June															
July															
August															
September															
October															
November															
December															

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase the industrial customers by 110.

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 March 2002 the amount owing to Hydro by Retail customers was \$70,458,000 and the amount owing to Hydro by Industrial customers was \$26,914,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
April 2002

**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 | - \$12.45 per barrel |
| 3. Holyrood average annual operating efficiency | - 605 kWh per bbl |
| 4. Holyrood mill rate based on \$12.45 per barrel | - 20.58 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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

April 2002

HYDRAULIC PRODUCTION

MONTH	COST OF SERVICE PRODUCTION (GWh)	ACTUAL PRODUCTION (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)		COST OF SERVICE (GWh)	ACTUAL (GWh)	VARIANCE (GWh)	HOLYROOD GENERATING STATION \$	OTHER GENERATION \$	AMOUNT \$
HYDRO PRODUCTION PLANT											
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	236.83	225.54				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	23.60	29.44				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	50.42	35.23				
April	362.50	354.41	(8.09)	(60.76)	Cat Arm	46.95	60.85				
May	368.69				Paradise River	4.70	3.35				
June	324.91				TOTAL	362.50	354.41	(8.09)			
July	301.53										
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				8.09/0.000605 x \$12.45				166,480.17		
November	362.72										
December	405.20										
TOTAL	4,205.32										

TOTAL

166,480.17
(To Page 14)

1. Hydraulic Production Variations: Actual production in April 2002 was 354.41 GWh compared with the Cost of Service Study of 362.50 GWh, a decrease of 8.09 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$166,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.45 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

April 2002

LOAD VARIATIONS

FIRM ENERGY SALES

MONTH	COST OF SERVICE SALES (GWh)	ACTUAL SALES (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)
January	594.30	631.06	36.76	36.76
February	557.00	597.51	40.51	77.27
March	552.60	600.97	48.37	125.64
April	482.30	524.60	42.30	167.94
May	429.80			
June	370.50			
July	345.40			
August	346.10			
September	356.60			
October	434.60			
November	489.70			
December	574.40			
TOTAL	<u>5,533.30</u>			

SECONDARY ENERGY SALES

COST OF SERVICE SALES (GWh)	ACTUAL SALES (GWh)	MONTHLY VARIANCE (GWh)	CUMULATIVE VARIANCE (GWh)
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00			
0.00			
0.00			
0.00			
0.00			
0.00			
0.00			
0.00			
<u>0.00</u>			
<u>0.00</u>			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for April 2002 were 524.60 GWh, 42.30 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for April 2002 were negligible.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

April 2002

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>376,000,000</u>	<u>402,250,295</u>	26,250,295	(24.73) (20.58-45.31)	(649,169.80)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,400,000	12,784,941			
	2nd Block	<u>3,200,000</u>	<u>5,562,875</u>			
		17,600,000	18,347,816			
	Abitibi-Price (Stephenville)	41,300,000	44,507,436			
	Deer Lake Power	1,300,000	1,434,806			
	Corner Brook Pulp & Paper	26,000,000	37,988,577			
	Albright & Wilson Americas	1,200,000	0			
	North Atlantic Refining Ltd.	18,400,000	20,067,868			
	Royal Oak Mines Inc.	<u>500,000</u>	<u>0</u>			
		<u>106,300,000</u>	<u>122,346,503</u>	<u>16,046,503</u>	1.24 (20.58-19.34)	<u>19,897.66</u>
	TOTAL	<u>482,300,000</u>	<u>524,596,798</u>	<u>42,296,798</u>		<u>(629,272.14)</u> (To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	<u>0</u>	<u>303</u>	<u>303</u>	10.40	<u>(3.15)</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 26.25 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$649,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.58 mills, less the Retail energy rate of 45.31 mills, a difference of 24.73 mills multiplied by 26.25 GWh.
- (b) Large Industrial - Actual sales were 16.05 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$20,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.58 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.24 mills multiplied by 16.05 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for April 2002 were negligible.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

April 2002

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	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45	29.90	17.45	273,719	318,185	44,466	196,403
May	12.45			169,091			
June	12.45			130,909			
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in April 2002 was 318,185 barrels at the Holyrood Generating Station. This was 44,466 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 \$29.90 per barrel, was \$17.45 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

April 2002

FUEL COST VARIATIONS - Continued

CONSUMPTION SCHEDULE

	<u>BARRELS</u> (Qty.)	<u>AVERAGE</u> <u>PRICE</u> \$	<u>AMOUNT</u> \$
PERIOD:			
April 01, 2002 - April 05, 2002	66,132	28.1593	1,862,230.83
April 06, 2002 - April 30, 2002	<u>252,194</u>	30.3515	<u>7,654,466.19</u>
	318,326	29.8961	9,516,697.02
Less: Emergency Fuel	(141)	29.8961	(4,215.35)
	<u>318,185</u>	29.8961	<u>9,512,481.67</u>

FUEL COST VARIATION PROVISION

	<u>FUEL COST PER BARREL</u>				
	<u>COST OF</u> <u>SERVICE</u> \$	<u>ACTUAL</u> \$	<u>VARIANCE</u> \$	<u>ACTUAL BARRELS</u> <u>OF FUEL USED</u> (Qty.)	<u>AMOUNT</u> \$
(a) Holyrood Generating Station	12.45	29.90	17.45 X	318,185	<u>5,552,328.25</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 \$29.90 per barrel compared with the Cost of Service estimate of \$12.45 per barrel. The difference \$17.45 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 318,185 barrels in the month results in \$5,552,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

April 2002

ADJUSTMENT

	ACTUAL (kWh)	MILL RATE ADJUSTMENT	AMOUNT \$
(a) Utility Firm Energy Sales			
Newfoundland Light and Power	402,250,295	(1.77)	(711,983.02)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>303</u>	(1.77)	<u>(0.54)</u>
	402,250,598		(711,983.56)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	12,784,941		
2nd Block	<u>5,562,875</u>		
	18,347,816		
Abitibi-Price (Stephenville)	44,507,436		
Deer Lake Power	1,434,806		
Corner Brook Pulp & Paper	37,988,577		
Albright & Wilson Americas	0		
North Atlantic Refining Ltd.	20,067,868		
Royal Oak Mines Inc.	<u>0</u>		
	<u>122,346,503</u>	(5.14)	<u>(628,861.03)</u>
	<u>524,597,101</u>		<u>(1,340,844.59)</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>
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 402.25 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$712,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 122.35 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$629,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

April 2002

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC																			TOTAL TO DATE DUE FROM (TO) CUSTOMERS
PRODUCTION VARIATIONS				LOAD VARIATIONS						FUEL COST VARIATIONS			RURAL RATE ALTERATION*						
MONTH	PRODUCTION	INTEREST	TOTAL ¹ TO DATE	FIRM		TOTAL ¹ ENERGY		SECONDARY		TOTAL ¹ TO DATE	FUEL COST	TOTAL ¹ CHANGE		RURAL		TOTAL ¹ TO DATE			
				SALES	INTEREST	TO DATE	SALES	INTEREST	TO DATE			ADJUST	INTEREST	TO DATE					
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346			
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969			
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)	15,246			
April	166	7	1,256	(629)	(17)	(3,522)	0	0	0	5,552	101	22,832	(37)	(1)	(178)	20,388			
May																			
June																			
July																			
August																			
September																			
October																			
November																			
December																			

¹ 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 April 2002, hydraulic production was down 8.09 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$166,000. Utility energy sales were 26.25 GWh more than the Cost of Service Study representing \$649,000 due to retail customers. Large industrial energy sales were 16.05 GWh more than the Cost of Service Study representing \$20,000 due from industrial customers. Secondary energy sales were negligible. Total of these three load items resulted in an amount owing to Customers by Hydro of \$629,000. Fuel consumed was 318,185 barrels at an average cost of \$17.45 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$5,552,000.

Netting all of the adjustments, the charge to the Plan for April 2002 including interest, was an amount owing to Hydro by Customers of \$5,142,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

April 2002

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 ⁽¹⁾ 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 ⁽²⁾ Balance forward:						60,369	60,369						24,878	24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164
February	4,979	16	7,857	(866)	349	59,270	67,127	(104)	12	1,932	(556)	143	24,078	26,010	9,789	83,348	93,137
March	3,811	46	11,714	(872)	346	58,744	70,458	1,309	11	3,252	(556)	140	23,662	26,914	14,966	82,406	97,372
April	2,592	68	14,374	(712)	343	58,375	72,749	2,230	19	5,501	(629)	138	23,171	28,672	19,875	81,546	101,421
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase the industrial customers by 110.

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 April 2002 the amount owing to Hydro by Retail customers was \$72,749,000 and the amount owing to Hydro by Industrial customers was \$28,672,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
May 2002

**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 | - \$12.45 per barrel |
| 3. Holyrood average annual operating efficiency | - 605 kWh per bbl |
| 4. Holyrood mill rate based on \$12.45 per barrel | - 20.58 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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO

May 2002

RATE STABILIZATION PLAN

Hydraulic Production

Month	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro Production Plant						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	207.77	176.06				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	24.62	38.46				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	44.24	34.95				
April	362.50	354.41	(8.09)	(60.76)	Cat Arm	88.16	63.27				
May	368.69	315.15	(53.54)	(114.30)	Paradise River	3.90	2.41				
June	324.91				TOTAL	<u>368.69</u>	<u>315.15</u>	(53.54)			
July	301.53										
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				53.54/0.000605 x \$12.45				1,101,773.55		
November	362.72										
December	405.20										
TOTAL	<u>4,205.32</u>										
					Total						<u>1,101,773.55</u> (To Page 14)

1. Hydraulic Production Variations: Actual production in May 2002 was 315.15 GWh compared with the Cost of Service Study of 368.69 GWh, a decrease of 53.54 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,102,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.45 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2002

RATE STABILIZATION PLAN

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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
March	552.60	600.97	48.37	125.64	0.00	0.00	0.00	0.00
April	482.30	524.60	42.30	167.94	0.00	0.00	0.00	0.00
May	429.80	444.73	14.93	182.87	0.00	0.00	0.00	0.00
June	370.50				0.00			
July	345.40				0.00			
August	346.10				0.00			
September	356.60				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 May 2002 were 444.73 GWh, 14.93 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for May 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

May 2002

<u>Load Variation Elements</u>	<u>Cost of Service (kwh)</u>	<u>Actual (kwh)</u>	<u>Variance (kwh)</u>	<u>Mill Rate</u>	<u>Amount \$</u>
(a) Utility Firm Energy sales					
Newfoundland Light and Power	<u>321,900,000</u>	<u>339,609,914</u>	<u>17,709,914</u>	(24.73) (20.58-45.31)	(437,966.17)
(b) Large Industrial Firm Energy Sales					
Abitibi-Price (Grand Falls)					
1st Block	14,900,000	7,343,950			
2nd Block	<u>1,200,000</u>	<u>1,938,129</u>			
	16,100,000	9,282,079			
Abitibi-Price (Stephenville)	42,700,000	34,213,549			
Deer Lake Power	1,400,000	1,487,979			
Corner Brook Pulp & Paper	26,900,000	40,424,831			
Albright and Wilson Americas	1,200,000	0			
North Atlantic Refining Ltd.	19,000,000	19,707,097			
Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
	107,900,000	105,115,535	(2,784,465)	1.24 (20.58 - 19.34)	(3,452.74)
Total	<u>429,800,000</u>	<u>444,725,449</u>	<u>14,925,449</u>		<u>(441,418.91)</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</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 17.71 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$438,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.58 mills, less the Retail energy rate of 45.31 mills, a difference of 24.73 mills multiplied by 17.71 GWh.
- (b) Large Industrial - Actual sales were 2.78 GWh less than the Cost of Service Study and resulted in a savings to the Plan of \$3,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.58 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.24 mills multiplied by 2.78 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for May 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	12.31	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45	29.90	17.45	273,719	318,185	44,466	196,403
May	12.45	30.35	17.90	169,091	249,960	80,869	277,272
June	12.45			130,909			
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in May 2002 was 249,960 barrels at the Holyrood Generating Station. This was 80,869 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 \$30.35 per barrel, was \$17.90 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
Fuel Cost Variation - continued

May 2002

Consumption Schedule

	<u>Barrels</u> <u>(Qty)</u>	<u>Average</u> <u>Price</u> <u>\$</u>	<u>Amount</u> <u>\$</u>
Period:			
May 01, 2002 - May 31, 2002	249,960.00	30.3535	7,587,160.86
Less: Emergency Fuel	0.00	30.3535	0.00
	<u>249,960.00</u>	<u>30.3535</u>	<u>7,587,160.86</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> <u>\$</u>	<u>Actual</u> <u>\$</u>	<u>Variance</u> <u>\$</u>		<u>Actual Barrels</u> <u>of Fuel Used</u> <u>(Qty.)</u>	<u>Amount</u> <u>\$</u>
(a) Holyrood Generating Station	12.45	30.35	17.90	X	249,960.00	<u>4,474,284.00</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 \$30.35 per barrel compared with the Cost of Service estimate of \$12.45 per barrel. The difference \$17.90 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 249,960 barrels in the month results in \$4,475,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2002

RATE STABILIZATION PLAN

Adjustment

	<u>Actual</u> (kWh)	<u>Mill Rate</u> <u>Adjustment</u>	<u>Amount</u> (\$)
(a) Utility Firm Energy sales			
Newfoundland Light and Power	339,609,914	(1.77)	(601,109.55)
(b) Secondary Energy Sales			
Newfoundland Light and Power	0	(1.77)	0.00
	<u>339,609,914</u>		<u>(601,109.55)</u>
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	7,343,950		
2nd Block	1,938,129		
	<u>9,282,079</u>		
Abitibi-Price (Stephenville)	34,213,549		
Deer Lake Power	1,487,979		
Corner Brook Pulp & Paper	40,424,831		
Albright and Wilson Americas	0		
North Atlantic Refining Ltd.	19,707,097		
Royal Oak Mines Inc.	0		
	<u>105,115,535</u>	<u>(5.14)</u>	<u>(540,293.85)</u>
	<u>444,725,449</u>		<u>(1,141,403.40)</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>
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 339.61 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$601,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 105.12 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$540,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

May 2002

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC																
PRODUCTION VARIATIONS					LOAD VARIATIONS					FUEL COST VARIATIONS			RURAL RATE ALTERATION*			TOTAL TO
MONTH	PRODUCTION	INTEREST TO DATE	SALES	TOTAL ¹ ENERGY	INTEREST TO DATE	SALES	TOTAL ¹ ENERGY	INTEREST TO DATE	SALES	FUEL COST	INTEREST TO DATE	TOTAL ¹ CHANGE	ADJUST	INTEREST TO DATE	TOTAL ¹	DATE DUE FROM (TO) CUSTOMERS
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)	15,246
April	166	7	1,256	(629)	(17)	(3,522)	0	0	0	5,552	101	22,832	(37)	(1)	(178)	20,388
May	1,102	7	2,365	(441)	(21)	(3,984)	0	0	0	4,475	133	27,440	(39)	(1)	(218)	25,603
June																
July																
August																
September																
October																
November																
December																

¹ 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 May 2002, hydraulic production was down 53.54 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,102,000. Utility energy sales were 17.71 GWh more than the Cost of Service Study representing \$438,000 due to retail customers. Large industrial energy sales were 2.78 GWh less than the Cost of Service Study representing \$3,000 due to industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$441,000. Fuel consumed was 249,960 barrels at an average cost of \$17.90 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$4,475,000.

Netting all of the adjustments, the charge to the Plan for May 2002 including interest, was an amount owing to Hydro by Customers of \$5,215,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

May 2002

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 ⁽¹⁾ 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 ⁽²⁾ Balance forward:						60,369	60,369							24,878	24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164	
February	4,979	16	7,857	(866)	349	59,270	67,127	(104)	12	1,932	(556)	143	24,078	26,010	9,789	83,348	93,137	
March	3,811	46	11,714	(872)	346	58,744	70,458	1,309	11	3,252	(556)	140	23,662	26,914	14,966	82,406	97,372	
April	2,592	68	14,374	(712)	343	58,375	72,749	2,230	19	5,501	(629)	138	23,171	28,672	19,875	81,546	101,421	
May	3,888	84	18,346	(601)	341	58,115	76,461	1,110	32	6,643	(540)	135	22,766	29,409	24,989	80,881	105,870	
June																		
July																		
August																		
September																		
October																		
November																		
December																		

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador Interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase the industrial customers by 110.

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 May 2002 the amount owing to Hydro by Retail customers was \$76,461,000 and the amount owing to Hydro by Industrial customers was \$29,409,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
June 2002

**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 | - \$12.45 per barrel |
| 3. Holyrood average annual operating efficiency | - 605 kWh per bbl |
| 4. Holyrood mill rate based on \$12.45 per barrel | - 20.58 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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO

June 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro Production Plant						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	183.83	175.20				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	11.78	30.73				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	39.13	45.01				
April	362.50	354.41	(8.09)	(60.76)	Cat Arm	88.16	63.78				
May	368.69	315.15	(53.54)	(114.30)	Paradise River	2.01	1.29				
June	324.91	316.01	(8.90)	(123.20)	TOTAL	<u>324.91</u>	<u>316.01</u>	(8.90)			
July	301.53										
August	302.41										
September	302.17										
October	339.99				Holyrood Generating Station 8.90/0.000605 x \$12.45				183,148.76		
November	362.72										
December	405.20										
TOTAL	<u>4,205.32</u>										
					Total						<u>183,148.76</u> (To Page 14)

1. Hydraulic Production Variations: Actual production in June 2002 was 316.01 GWh compared with the Cost of Service Study of 324.91 GWh, a decrease of 8.90 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$183,000 (excluding interest) representing an amount owed to Hydro by Customers based on the \$12.45 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

June 2002

RATE STABILIZATION PLAN

Load Variations

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)
594.30	631.06	36.76	36.76	0.00	0.00	0.00	0.00
557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
552.60	600.97	48.37	125.64	0.00	0.00	0.00	0.00
482.30	524.60	42.30	167.94	0.00	0.00	0.00	0.00
429.80	444.73	14.93	182.87	0.00	0.00	0.00	0.00
370.50	385.71	15.21	198.08	0.00	0.08	0.08	0.08
345.40				0.00			
346.10				0.00			
356.60				0.00			
434.60				0.00			
489.70				0.00			
574.40				0.00			
<u>5,533.30</u>				<u>0.00</u>			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for June 2002 were 385.71 GWh, 15.21 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for June 2002 were 0.08 GWh more than the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

June 2002

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Mill Rate	Amount \$
(a)	Utility Firm Energy sales					
	Newfoundland Light and Power	265,700,000	282,665,042	16,965,042	(24.73) (20.58-45.31)	(419,545.49)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,400,000	13,712,984			
	2nd Block	1,700,000	0			
		16,100,000	13,712,984			
	Abitibi-Price (Stephenville)	41,300,000	34,671,936			
	Deer Lake Power	1,300,000	0			
	Corner Brook Pulp & Paper	26,000,000	36,027,486			
	Albright and Wilson Americas	1,200,000	0			
	North Atlantic Refining Ltd.	18,400,000	18,632,068			
	Royal Oak Mines Inc.	500,000	0			
		104,800,000	103,044,474	(1,755,526)	1.24 (20.58 - 19.34)	(2,176.85)
	Total	370,500,000	385,709,516	15,209,516		(421,722.34) (To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	0	77,923	77,923	10.40	(810.40) (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 16.97 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$420,000 (excluding interest). This is calculated by comparing the cost of thermal generation at 20.58 mills, less the Retail energy rate of 45.31 mills, a difference of 24.73 mills multiplied by 16.97 GWh.
- (b) Large Industrial - Actual sales were 1.76 GWh less than the Cost of Service Study and resulted in a savings to the Plan of \$2,000 (excluding interest). This is calculated by taking the cost of thermal generation at 20.58 mills, less the Large Industrial energy rate of 19.34 mills, a difference of 1.24 mills multiplied by 1.76 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for June 2002 were 0.08 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$1,000 (excluding interest).

NEWFOUNDLAND AND LABRADOR HYDRO

June 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	12.31	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45	29.90	17.45	273,719	318,185	44,466	196,403
May	12.45	30.35	17.90	169,091	249,960	80,869	277,272
June	12.45	31.64	19.19	130,909	153,988	23,079	300,351
July	12.48			122,975			
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in June 2002 was 153,988 barrels at the Holyrood Generating Station. This was 23,079 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 \$31.64 per barrel, was \$19.19 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
Fuel Cost Variation - continued

June 2002

Consumption Schedule

	<u>Barrels</u> <u>(Qty)</u>	<u>Average</u> <u>Price</u> <u>\$</u>	<u>Amount</u> <u>\$</u>
Period:			
June 01, 2002 - June 3, 2002	21,455.00	30.4030	652,296.37
June 4, 2002 - June 30, 2002	132,533.00	31.8386	4,219,665.17
	<u>153,988.00</u>	31.6386	<u>4,871,961.54</u>
Less: Emergency Fuel	0.00	31.6386	0.00
	<u>153,988.00</u>		<u>4,871,961.54</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> <u>\$</u>	<u>Actual</u> <u>\$</u>	<u>Variance</u> <u>\$</u>		<u>Actual Barrels</u> <u>of Fuel Used</u> <u>(Qty.)</u>	<u>Amount</u> <u>\$</u>
(a) Holyrood Generating Station	12.45	31.64	19.19	X	153,988.00	2,955,029.72
						<u>(To Page 14)</u>

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 \$31.64 per barrel compared with the Cost of Service estimate of \$12.45 per barrel. The difference \$19.19 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 153,988 barrels in the month results in \$2,955,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

June 2002

Adjustment

	<u>Actual</u> (kWh)	<u>Mill Rate</u> <u>Adjustment</u>	<u>Amount</u> (\$)
(a) Utility Firm Energy sales			
Newfoundland Light and Power	282,665,042	(1.77)	(500,317.12)
(b) Secondary Energy Sales			
Newfoundland Light and Power	77,923	(1.77)	(137.92)
	<u>282,742,965</u>		<u>(500,455.05)</u>
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	13,712,984		
2nd Block	0		
	<u>13,712,984</u>		
Abitibi-Price (Stephenville)	34,671,936		
Deer Lake Power	0		
Corner Brook Pulp & Paper	36,027,486		
Albright and Wilson Americas	0		
North Atlantic Refining Ltd.	18,632,068		
Royal Oak Mines Inc.	0		
	<u>103,044,474</u>	(5.14)	(529,648.60)
	<u>385,787,439</u>		<u>(1,030,103.64)</u>
			(To Page 16)

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

	RETAIL	INDUSTRIAL	TOTAL
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, 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, 2001, \$20,123,000 will be recovered over the period July 1, 2002 to June 30, 2003 through an adjustment in the monthly mill rate charged Retail customers. The recovery rate of 4.55 mills per kWh was calculated by dividing total energy sales to Retail customers, in the 12 months ended December 31, 2001, into the amount to be recovered from Retail customers over the next 12 months.

During the month, total sales to Retail customers were 282.74 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$500,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 103.04 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$530,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

June 2002

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															
	PROD	INTEREST	TOTAL ⁽¹⁾ TO DATE	FIRM			SECONDARY			FUEL COST	INTEREST	TOTAL ⁽¹⁾ TO DATE	RURAL CHANGE ADJUST	INTEREST	TOTAL ⁽¹⁾ TO DATE	
				ENERGY SALES	INTEREST	TOTAL ⁽¹⁾ TO DATE	ENERGY SALES	INTEREST	TOTAL ⁽¹⁾ TO DATE							
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)	15,246
April	166	7	1,256	(629)	(17)	(3,522)	0	0	0	5,552	101	22,832	(37)	(1)	(178)	20,388
May	1,102	7	2,365	(441)	(21)	(3,984)	0	0	0	4,475	133	27,440	(39)	(1)	(218)	25,603
June	183	14	2,562	(422)	(23)	(4,429)	(1)	0	(1)	2,955	160	30,555	(40)	(1)	(259)	28,428
July																
August																
September																
October																
November																
December																

(1) 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 June 2002, hydraulic production was down 8.90 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$183,000. Utility energy sales were 16.97 GWh more than the Cost of Service Study representing \$420,000 due to retail customers. Large industrial energy sales were 1.76 GWh less than the Cost of Service Study representing \$2,000 due to industrial customers. Secondary energy sales were 0.08 GWh more than the Cost of Service Study representing \$1,000 owed by Hydro to Customers. Total of these three load items resulted in an amount owing to Customers by Hydro of \$423,000. Fuel consumed was 153,988 barrels at an average cost of \$19.19 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$2,955,000.

Netting all of the adjustments, the charge to the Plan for June 2002 including interest, was an amount owing to Hydro by Customers of \$2,825,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

June 2002

OVERALL SUMMARY
(in thousands of dollars)

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL HYDRO		
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD				TOTAL ⁽¹⁾ CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
	ACTIVITY	INT.	DATE	ADJ	INT	DATE	TO DATE	ACTIVITY	INT.	DATE	ADJ	INT	DATE	TO DATE			
Revised ⁽²⁾ balance forward:							60,369							24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164
February	4,979	16	7,857	(866)	349	59,270	67,127	(104)	12	1,932	(556)	143	24,078	26,010	9,789	83,348	93,137
March	3,811	46	11,714	(872)	346	58,744	70,458	1,309	11	3,252	(556)	140	23,662	26,914	14,966	82,406	97,372
April	2,592	68	14,374	(712)	343	58,375	72,749	2,230	19	5,501	(629)	138	23,171	28,672	19,875	81,546	101,421
May	3,888	84	18,346	(601)	341	58,115	76,461	1,110	32	6,643	(540)	135	22,766	29,409	24,989	80,881	105,870
June	1,996	107	20,449	(500)	339	57,954	78,403	585	39	7,267	(530)	133	22,369	29,636	27,716	80,323	108,039
July																	
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase industrial customers by 110.

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 June 2002 the amount owing to Hydro by Retail customers was \$78,403,000 and the amount owing to Hydro by Industrial customers was \$29,636,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
July 2002

**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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO

July 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro Production Plant						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	198.29	227.62				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	20.52	42.09				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	42.22	53.30				
April	362.50	354.41	(8.09)	(60.76)	Cat Arm	39.12	65.00				
May	368.69	315.15	(53.54)	(114.30)	Paradise River	1.38	0.71				
June	324.91	316.01	(8.90)	(123.20)	TOTAL	301.53	388.72	87.19			
July	301.53	388.72	87.19	(36.01)							
August	302.41										
September	302.17				Holyrood Generating Station						
October	339.99				(87.19)/0.000605 x \$12.48				(1,798,563.97)		
November	362.72										
December	405.20										
TOTAL	4,205.32										

Total

(1,798,563.97)

(To Page 14)

1. Hydraulic Production Variations: Actual production in July 2002 was 388.72 GWh compared with the Cost of Service Study of 301.53 GWh, an increase of 87.19 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$1,799,000 (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

July 2002

RATE STABILIZATION PLAN

Load Variations

Firm Energy Sales

Secondary Energy Sales

MONTH	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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
March	552.60	600.97	48.37	125.64	0.00	0.00	0.00	0.00
April	482.30	524.60	42.30	167.94	0.00	0.00	0.00	0.00
May	429.80	444.73	14.93	182.87	0.00	0.00	0.00	0.00
June	370.50	385.71	15.21	198.08	0.00	0.08	0.08	0.08
July	345.40	373.24	27.84	225.92	0.00	0.00	0.00	0.08
August	346.10				0.00			
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for July 2002 were 373.24 GWh, 27.84 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for July 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

July 2002

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Mill Rate	Amount \$
(a)	Utility Firm Energy sales					
	Newfoundland Light and Power	<u>239,200,000</u>	<u>249,340,443</u>	10,140,443	(24.68) (20.63-45.31)	(250,266.13)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,000,000	16,527,256			
	2nd Block	<u>2,000,000</u>	<u>0</u>			
		16,000,000	16,527,256			
	Abitibi-Price (Stephenville)	41,300,000	48,230,788			
	Deer Lake Power	1,300,000	0			
	Corner Brook Pulp & Paper	26,900,000	41,666,639			
	Albright and Wilson Americas	1,100,000	0			
	North Atlantic Refining Ltd.	19,000,000	17,476,808			
	Royal Oak Mines Inc.	<u>600,000</u>	<u>0</u>			
		106,200,000	123,901,491	17,701,491	1.29 (20.63 - 19.34)	22,834.92
	Total	<u>345,400,000</u>	<u>373,241,934</u>	<u>27,841,934</u>		(227,431.21) (To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	<u>0</u>	<u>0</u>	<u>0</u>	10.40	0.00 (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 10.14 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$250,000 (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 10.14 GWh.
- (b) Large Industrial - Actual sales were 17.70 GWh more than the Cost of Service Study and resulted in a charge to the Plan of \$23,000 (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 17.70 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for July 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

July 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	12.31	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45	29.90	17.45	273,719	318,185	44,466	196,403
May	12.45	30.35	17.90	169,091	249,960	80,869	277,272
June	12.45	31.64	19.19	130,909	153,988	23,079	300,351
July	12.48	31.84	19.36	122,975	29,297	(93,678)	206,673
August	12.48			122,975			
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in July 2002 was 29,297 barrels at the Holyrood Generating Station. This was 93,678 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 \$31.84 per barrel, was \$19.36 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
Fuel Cost Variation - continued

July 2002

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
July 01, 2002 - July 31, 2002	29,297.00	31.8430	932,904.37
	<u>29,297.00</u>	<u>31.8430</u>	<u>932,904.37</u>
Less: Emergency Fuel	<u>0.00</u>	<u>31.8430</u>	<u>0.00</u>
	<u><u>29,297.00</u></u>		<u><u>932,904.37</u></u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	12.48	31.84	19.36	X	29,297.00	<u>567,189.92</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 \$31.84 per barrel compared with the Cost of Service estimate of \$12.48 per barrel. The difference \$19.36 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 29,297 barrels in the month results in \$567,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

July 2002

RATE STABILIZATION PLAN

Adjustment

	<u>Actual</u> (kWh)	<u>Mill Rate</u> <u>Adjustment</u>	<u>Amount</u> (\$)
(a) Utility Firm Energy sales			
Newfoundland Light and Power	249,340,443	(1.77)	(441,332.58)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	249,340,443		(441,332.58)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	16,527,256		
2nd Block	<u>0</u>		
	16,527,256		
Abitibi-Price (Stephenville)	48,230,788		
Deer Lake Power	<u>0</u>		
Corner Brook Pulp & Paper	41,666,639		
Albright and Wilson Americas	<u>0</u>		
North Atlantic Refining Ltd.	17,476,808		
Royal Oak Mines Inc.	<u>0</u>		
	<u>123,901,491</u>	(5.14)	(636,853.66)
	<u>373,241,934</u>		<u>(1,078,186.24)</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>
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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. As per Order No. P.U. 7 (2002 - 2003) the recovery rate is 1.77 mills per kWh for the balance of 2002.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, into the amount to be recovered from Industrial customers over the next 12 months. As per Order No. P.U. 7 (2002 - 2003) the recovery rate will be reset as of the effective date of September 1, 2002 for rate implementation for the remainder of 2002 to 2.80 mills per kWh.

During the month, total sales to Retail customers were 249.34 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$441,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 123.90 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$637,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

July 2002

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC				LOAD						FUEL			RURAL			TOTAL TO	
PRODUCTION VARIATIONS				VARIATIONS						COST			ALTERATION*			DATE DUE	
MONTH	PROD	INTEREST	TOTAL ⁽¹⁾ TO DATE	FIRM			SECONDARY			FUEL COST	INTEREST	TOTAL ⁽¹⁾ TO DATE	RURAL CHANGE ADJUST	INTEREST	TOTAL ⁽¹⁾ TO DATE	CUSTOMERS	
				ENERGY SALES	INTEREST	TOTAL ⁽¹⁾ TO DATE	ENERGY SALES	INTEREST	TOTAL ⁽¹⁾ TO DATE								
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)	5,346	
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)	9,969	
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)	15,246	
April	166	7	1,256	(629)	(17)	(3,522)	0	0	0	5,552	101	22,832	(37)	(1)	(178)	20,388	
May	1,102	7	2,365	(441)	(21)	(3,984)	0	0	0	4,475	133	27,440	(39)	(1)	(218)	25,603	
June	183	14	2,562	(422)	(23)	(4,429)	(1)	0	(1)	2,955	160	30,555	(40)	(1)	(259)	28,428	
July	(1,799)	15	778	(227)	(26)	(4,683)	0	0	(1)	567	178	31,300	(26)	(2)	(287)	27,108	
August																	
September																	
October																	
November																	
December																	

(1) 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 2002, hydraulic production was up 87.19 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$1,799,000. Utility energy sales were 10.14 GWh more than the Cost of Service Study representing \$250,000 due to retail customers. Large industrial energy sales were 17.70 GWh more than the Cost of Service Study representing \$23,000 due to Hydro by industrial customers. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$227,000. Fuel consumed was 29,297 barrels at an average cost of \$19.36 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$567,000.

Netting all of the adjustments, the savings to the Plan for July 2002 including interest, was an amount owing to Customers by Hydro of \$1,320,000.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

July 2002

OVERALL SUMMARY (in thousands of dollars)

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL HYDRO		
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD				TOTAL ⁽¹⁾ CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
	TOTAL			ADJ	INT	TOTAL TO DATE	RETAIL TOTAL TO DATE	TOTAL			ADJ	INT	TOTAL TO DATE	INDUSTRIAL TOTAL TO DATE			
	ACTIVITY	INT.	DATE					ADJ	INT	DATE							
	ACTIVITY	INT.	DATE	ADJ	INT	DATE	TO DATE	ACTIVITY	INT.	DATE	ADJ	INT	DATE	TO DATE	ACTIVITY	INT.	DATE
Revised ⁽²⁾ balance forward:						60,369	60,369						24,878	24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164
February	4,979	16	7,857	(866)	349	59,270	67,127	(104)	12	1,932	(556)	143	24,078	26,010	9,789	83,348	93,137
March	3,811	46	11,714	(872)	346	58,744	70,458	1,309	11	3,252	(556)	140	23,662	26,914	14,966	82,406	97,372
April	2,592	68	14,374	(712)	343	58,375	72,749	2,230	19	5,501	(629)	138	23,171	28,672	19,875	81,546	101,421
May	3,888	84	18,346	(601)	341	58,115	76,461	1,110	32	6,643	(540)	135	22,766	29,409	24,989	80,881	105,870
June	1,996	107	20,449	(500)	339	57,954	78,403	585	39	7,267	(530)	133	22,369	29,636	27,716	80,323	108,039
July	(1,341)	119	19,227	(441)	338	57,851	77,078	(245)	42	7,064	(637)	130	21,862	28,926	26,291	79,713	106,004
August																	
September																	
October																	
November																	
December																	

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase industrial customers by 110.

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 2002 the amount owing to Hydro by Retail customers was \$77,078,000 and the amount owing to Hydro by Industrial customers was \$28,926,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
SUMMARY
August 2002

**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 | - 7.25% per annum effective January 1, 2002 |
| 9. Retail rate stabilization plan adjustment effective July 1, 2001 | - 1.77 mills per kWh |
| 10. Industrial rate stabilization plan adjustment effective January 1, 2002 | - 5.14 mills per kWh |

NEWFOUNDLAND AND LABRADOR HYDRO

August 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro Production Plant						
January	382.42	360.96	(21.46)	(21.46)	Bay D'Espoir	189.08	205.81				
February	359.84	352.55	(7.29)	(28.75)	Hinds Lake	16.42	17.42				
March	392.94	369.02	(23.92)	(52.67)	Upper Salmon	40.25	47.41				
April	362.50	354.41	(8.09)	(60.76)	Cat Arm	55.15	68.80				
May	368.69	315.15	(53.54)	(114.30)	Paradise River	1.51	1.05				
June	324.91	316.01	(8.90)	(123.20)	TOTAL	302.41	340.49	38.08			
July	301.53	388.72	87.19	(36.01)							
August	302.41	340.49	38.08	2.07							
September	302.17										
October	339.99										
November	362.72										
December	405.20										
TOTAL	4,205.32										

Total

(785,518.02)
(To Page 14)

1. Hydraulic Production Variations: Actual production in August 2002 was 340.49 GWh compared with the Cost of Service Study of 302.41 GWh, an increase of 38.08 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$786,000 (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

August 2002

RATE STABILIZATION PLAN

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	631.06	36.76	36.76	0.00	0.00	0.00	0.00
February	557.00	597.51	40.51	77.27	0.00	0.00	0.00	0.00
March	552.60	600.97	48.37	125.64	0.00	0.00	0.00	0.00
April	482.30	524.60	42.30	167.94	0.00	0.00	0.00	0.00
May	429.80	444.73	14.93	182.87	0.00	0.00	0.00	0.00
June	370.50	385.71	15.21	198.08	0.00	0.08	0.08	0.08
July	345.40	373.24	27.84	225.92	0.00	0.00	0.00	0.08
August	346.10	366.93	20.83	246.75	0.00	0.00	0.00	0.08
September	356.60				0.00			
October	434.60				0.00			
November	489.70				0.00			
December	574.40				0.00			
TOTAL	5,533.30				0.00			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for August 2002 were 366.93 GWh, 20.83 GWh more than estimated in the Cost of Service Study.
- (b) Secondary Energy Sales - Actual secondary energy sales for August 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

August 2002

<u>Load Variation Elements</u>		<u>Cost of Service (kwh)</u>	<u>Actual (kwh)</u>	<u>Variance (kwh)</u>	<u>Mill Rate</u>	<u>Amount \$</u>
(a)	Utility Firm Energy sales Newfoundland Light and Power	238,700,000	260,338,621	21,638,621	(24.68) (20.63-45.31)	(534,041.17)
(b)	Large Industrial Firm Energy Sales					
	Abitibi-Price (Grand Falls)					
	1st Block	14,000,000	13,895,536			
	2nd Block	1,900,000	0			
		15,900,000	13,895,536			
	Abitibi-Price (Stephenville)	42,700,000	41,914,771			
	Deer Lake Power	1,300,000	0			
	Corner Brook Pulp & Paper	26,900,000	41,484,568			
	Albright and Wilson Americas	1,000,000	0			
	North Atlantic Refining Ltd.	19,000,000	9,294,717			
	Royal Oak Mines Inc.	600,000	0			
		107,400,000	106,589,592	(810,408)	1.29 (20.63 - 19.34)	(1,045.43)
	Total	346,100,000	366,928,213	20,828,213		(535,086.60) (To Page 14)
(c)	Secondary Energy Sales					
	Newfoundland Light and Power	0	0	0	10.40	0.00 (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 21.64 GWh more than the Cost of Service Study and resulted in a savings to the Plan of \$534,000 (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 21.64 GWh.
- (b) Large Industrial - Actual sales were 0.81 GWh less than the Cost of Service Study and resulted in a savings 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 0.81 GWh.
- (c) Secondary Energy Sales - Actual secondary energy sales for August 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

August 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	12.31	24.42	12.11	442,711	492,120	49,409	49,409
February	12.40	24.33	11.93	414,149	435,920	21,771	71,180
March	12.43	26.22	13.79	348,446	429,203	80,757	151,937
April	12.45	29.90	17.45	273,719	318,185	44,466	196,403
May	12.45	30.35	17.90	169,091	249,960	80,869	277,272
June	12.45	31.64	19.19	130,909	153,988	23,079	300,351
July	12.48	31.84	19.36	122,975	29,297	(93,678)	206,673
August	12.48	31.80	19.32	122,975	90,774	(32,201)	174,472
September	12.49			142,810			
October	12.49			221,355			
November	12.50			285,620			
December	12.50			368,926			
TOTAL	12.45			3,043,686			

3. Fuel Cost Variations: Actual fuel consumption in August 2002 was 90,774 barrels at the Holyrood Generating Station. This was 32,201 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 \$31.80 per barrel, was \$19.32 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
Fuel Cost Variation - continued

August 2002

Fuel Cost Variations - Continued

Consumption Schedule

	<u>Barrels</u> <u>(Qty)</u>	<u>Average</u> <u>Price</u> <u>\$</u>	<u>Amount</u> <u>\$</u>
Period:			
August 01, 2002 - August 31, 2002	90,774.00	31.7965	2,886,295.49
	<u>90,774.00</u>	<u>31.7965</u>	<u>2,886,295.49</u>
Less: Emergency Fuel	0.00	31.7965	0.00
	<u>90,774.00</u>		<u>2,886,295.49</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> <u>\$</u>	<u>Actual</u> <u>\$</u>	<u>Variance</u> <u>\$</u>		<u>Actual Barrels</u> <u>of Fuel Used</u> <u>(Qty.)</u>	<u>Amount</u> <u>\$</u>
(a) Holyrood Generating Station	12.48	31.80	19.32	X	90,774.00	1,753,753.68
						<u>(To Page 14)</u>

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 \$31.80 per barrel compared with the Cost of Service estimate of \$12.48 per barrel. The difference \$19.32 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 90,774 barrels in the month results in \$1,754,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

August 2002

RATE STABILIZATION PLAN

Adjustment

	<u>Actual</u> (kWh)	<u>Mill Rate</u> <u>Adjustment</u>	<u>Amount</u> (\\$)
(a) Utility Firm Energy sales			
Newfoundland Light and Power	260,338,621	(1.77)	(460,799.36)
(b) Secondary Energy Sales			
Newfoundland Light and Power	<u>0</u>	(1.77)	<u>0.00</u>
	260,338,621		(460,799.36)
(c) Large Industrial Firm Energy Sales			
Abitibi-Price (Grand Falls)			
1st Block	13,895,536		
2nd Block	<u>0</u>		
	13,895,536		
Abitibi-Price (Stephenville)	41,914,771		
Deer Lake Power	0		
Comer Brook Pulp & Paper	41,484,568		
Albright and Wilson Americas	0		
North Atlantic Refining Ltd.	9,294,717		
Royal Oak Mines Inc.	<u>0</u>		
	106,589,592	(5.14)	(547,870.50)
	<u>366,928,213</u>		<u>(1,008,669.86)</u>
			(To Page 16)

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

	RETAIL	INDUSTRIAL	TOTAL
December 31, 2000	22,684,000	12,918,000	35,602,000
September 30, 2001	44,099,000	18,769,000	62,868,000
December 31, 2001 ⁽¹⁾	60,369,000	24,878,000	85,247,000

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

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. As per Order No. P.U. 7 (2002 - 2003) the recovery rate is 1.77 mills per kWh for the balance of 2002.

One third of the amount owing from Industrial customers at September 30, 2001, \$6,256,000 will be recovered over the twelve month period commencing January 1, 2002 through an adjustment in the monthly mill rate charged Industrial customers. The recovery rate of 5.14 mills per kWh was calculated by dividing total energy sales to Industrial customers, in the 12 months ended September 30, 2001, into the amount to be recovered from Industrial customers over the next 12 months. As per Order No. P.U. 7 (2002 - 2003) the recovery rate will be reset as of the effective date of September 1, 2002 for rate implementation for the remainder of 2002 to 2.80 mills per kWh.

During the month, total sales to Retail customers were 260.34 GWh and when multiplied by the recovery rate of 1.77 mills per kWh for the current month's sales results in \$461,000 of the balance outstanding being recovered from Retail customers. Also during the month, total sales to Industrial customers were 106.59 GWh and when multiplied by the recovery rate of 5.14 mills per kWh results in \$548,000 of the balance outstanding being recovered from Industrial customers.

⁽¹⁾ Adjusted as per note 2 on page 16.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

August 2002

OVERALL SUMMARY
(in thousands of dollars)

HYDRAULIC				LOAD						FUEL			COST			VARIATIONS			RURAL			RATE			ALTERATION*			TOTAL TO DATE DUE FROM (TO) CUSTOMERS
PRODUCTION VARIATIONS				VARIATIONS						FUEL			COST			VARIATIONS			RURAL			RATE			ALTERATION*			
				FIRM			SECONDARY																					
TOTAL ⁽¹⁾				ENERGY		TOTAL ⁽¹⁾		ENERGY		TOTAL ⁽¹⁾		FUEL		TOTAL ⁽¹⁾		RURAL		CHANGE		TOTAL ⁽¹⁾								
MONTH	PROD	INTEREST	TO DATE	SALES	INTEREST	TO DATE	SALES	INTEREST	TO DATE	COST	INTEREST	TO DATE	ADJUST	INTEREST	TO DATE													
January	437	0	437	(1,008)	0	(1,008)	0	0	0	5,960	0	5,960	(43)	0	(43)											5,346		
February	149	3	589	(706)	(6)	(1,720)	0	0	0	5,201	34	11,195	(52)	0	(95)											9,969		
March	491	3	1,083	(1,146)	(10)	(2,876)	0	0	0	5,919	65	17,179	(44)	(1)	(140)											15,246		
April	166	7	1,256	(629)	(17)	(3,522)	0	0	0	5,552	101	22,832	(37)	(1)	(178)											20,388		
May	1,102	7	2,365	(441)	(21)	(3,984)	0	0	0	4,475	133	27,440	(39)	(1)	(218)											25,603		
June	183	14	2,562	(422)	(23)	(4,429)	(1)	0	(1)	2,955	160	30,555	(40)	(1)	(259)											28,427		
July	(1,799)	15	778	(227)	(26)	(4,682)	0	0	(1)	567	178	31,300	(26)	(2)	(287)											27,108		
August	(786)	5	(3)	(535)	(27)	(5,244)	0	0	(1)	1,754	183	33,237	(24)	(2)	(313)											27,674		
September																												
October																												
November																												
December																												

(1) 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 2002, hydraulic production was up 38.08 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$786,000. Utility energy sales were 21.64 GWh more than the Cost of Service Study representing \$534,000 due to retail customers. Large industrial energy sales were 0.81 GWh less than the Cost of Service Study representing \$1,000 due to industrial customers by Hydro. Secondary energy sales were nil. Total of these three load items resulted in an amount owing to Customers by Hydro of \$535,000. Fuel consumed was 90,774 barrels at an average cost of \$19.32 per barrel more than that used in the Cost of Service, resulting in a charge to customers of \$1,754,000.

Netting all of the adjustments, the charge to the Plan for August 2002 including interest, was an amount owing to Hydro by Customers of \$566,000.

**NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN**

August 2002

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

MONTH	RETAIL CUSTOMER PLAN							INDUSTRIAL CUSTOMER PLAN							TOTAL HYDRO				
	CURRENT PERIOD			PRIOR PERIOD				CURRENT PERIOD			PRIOR PERIOD				TOTAL ⁽¹⁾ CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE		
	TOTAL TO DATE			ADJ	INT	TOTAL TO DATE	RETAIL TOTAL TO DATE	TOTAL TO DATE			ADJ	INT	TOTAL TO DATE	INDUSTRIAL TOTAL TO DATE					
	ACTIVITY	INT.	DATE					TOTAL TO DATE											
									ACTIVITY	INT.								DATE	
Revised ⁽²⁾ balance forward:							60,369	60,369							24,878	24,878		85,247	85,247
January	2,862	0	2,862	(934)	352	59,787	62,649	2,024	0	2,024	(532)	145	24,491	26,515	4,886	84,278	89,164		
February	4,979	16	7,857	(866)	349	59,270	67,127	(104)	12	1,932	(556)	143	24,078	26,010	9,789	83,348	93,137		
March	3,811	46	11,714	(872)	346	58,744	70,458	1,309	11	3,252	(556)	140	23,662	26,914	14,966	82,406	97,372		
April	2,592	68	14,374	(712)	343	58,375	72,749	2,230	19	5,501	(629)	138	23,171	28,672	19,875	81,546	101,421		
May	3,888	84	18,346	(601)	341	58,115	76,461	1,110	32	6,643	(540)	135	22,766	29,409	24,989	80,881	105,870		
June	1,996	107	20,449	(500)	339	57,954	78,403	585	39	7,267	(530)	133	22,369	29,636	27,716	80,323	108,039		
July	(1,341)	119	19,227	(441)	338	57,851	77,078	(245)	42	7,064	(637)	130	21,862	28,926	26,291	79,713	106,004		
August	133	113	19,473	(461)	337	57,727	77,200	90	42	7,196	(548)	128	21,442	28,638	26,669	79,169	105,838		
September																			
October																			
November																			
December																			

Interest calculated using Hydro's annual cost of debt at 7.25% beginning January, 2002. Values in brackets indicate balances due to customers, whereas unbracketed values indicate balances due from customers.

⁽¹⁾ Amount has been adjusted for portion associated with Labrador interconnected customers

⁽²⁾ The retail and industrial plans were adjusted to reflect a revision for 11 GWh billed to Deer Lake Power in December 2001 which was changed from exceptional to interruptible at firm rates. The effect on the plan was to increase the opening 2002 balance for retail customers by 69 and to increase industrial customers by 110.

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 2002 the amount owing to Hydro by Retail customers was \$77,200,000 and the amount owing to Hydro by Industrial customers was \$28,638,000.

IC-139 NLH

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
September 2002

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | | | |
|----|---|---|--|
| 1. | Normal annual hydraulic production assumed in the Cost of Service Study | - | 4,425.00 GWh |
| 2. | Cost of Service No. 6 fuel price | - | \$25.94 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 615 kWh per barrel |
| 4. | Holyrood rate based on \$25.94 per barrel | - | 4.218 ¢ per kWh |
| 5. | Utility energy rate | - | 4.789 ¢ per kWh effective September 1, 2002 |
| 6. | Island industrial energy rate | - | 2.388 ¢ per kWh effective September 1, 2002 |
| 7. | Firming up charge | - | 0.792 ¢ per kWh effective September 1, 2002 |
| 8. | Weighted average cost of capital | - | 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | | | |
|----|--|---|---|
| 1. | Utility rate stabilization plan adjustment | - | 0.177 ¢ per kWh effective July 1, 2001 |
| 2. | Island industrial rate stabilization plan adjustment | - | 0.280 ¢ per kWh effective September 1, 2002 |

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)	Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
Hydro <u>Production Plant</u>										
January	429.30				Bay D'Espoir	182.13	163.66			
February	405.21				Hinds Lake	18.63	33.28			
March	399.21				Upper Salmon	39.48	10.11			
April	366.43				Cat Arm	64.83	59.29			
May	348.04				Paradise River	1.93	1.32			
June	337.18				Mini Hydro	0.54	0.34			
July	410.65				TOTAL	<u>307.54</u>	<u>268.00</u>	(39.54)		
August	381.06									
September	307.54	268.00	(39.54)	(39.54)						
October	302.08				Holyrood Generating Station					
November	301.90				39.54/0.000615 x \$25.94			1,667,752.20		
December	436.40									
TOTAL	<u>4,425.00</u>									

Total

1,667,752.20
(To Page 12)

1. Hydraulic Production Variations: Actual production in September 2002 was 268.00 GWh compared with the Cost of Service Study of 307.54 GWh, a decrease of 39.54 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,668,000 representing an amount owed to Hydro by Customers based on the \$25.94 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

Load Variations

MONTH	Firm Energy Sales				Firmed Up 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	641.53				0.00			
February	593.34				0.00			
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65	380.87	17.22	17.22	0.00	0.00	0.00	0.00
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	5,873.90				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for September 2002 were 380.87 GWh, 17.22 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for September 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>	<u>Cost of Service</u>	<u>Actual</u>	<u>Variance</u>	<u>Revenue Component</u>		<u>Fuel Component</u>	
	(kwh)	(kwh)	(kwh)	¢ per kWh	Amount	¢ per kWh	Amount
					\$		\$
(a) Utility Firm Energy sales							
Newfoundland Power	259,100,000	272,199,934	13,099,934	(4.789)	(627,355.84)		
					(To Page 12)		
(b) Island Industrial Firm Energy Sales							
Abitibi Consolidated Inc. (Grand Falls)	11,690,000	10,607,750					
Abitibi Consolidated Inc. (Stephenville)	44,900,000	40,368,476					
Corner Brook Pulp & Paper	37,344,681	39,989,760					
North Atlantic Refining Ltd.	10,620,000	17,701,312					
	104,554,681	108,667,298	4,112,617	(2.388)	(98,209.29)		
					(To Page 12)		
Total	363,654,681	380,867,232	17,212,551			4.218	726,025.40
							(To Page 12)
<u>Firmed up Secondary Energy Sales</u>							
(c) Newfoundland Power	0	0	0	(0.792)	0.00		
					(To Page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 13.10 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$627,000.
- (b) Island Industrial - Actual sales were 4.11 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a savings to the Plan of \$98,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for September 2002 were nil.

Fuel Component:

Total actual firm energy sales were 17.21 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 4.218 ¢ per kWh results in a charge to the Plan of \$726,000.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	24.11			439,320			
February	24.64			396,790			
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94	33.80	7.86	138,651	213,457	74,806	74,806
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in September 2002 was 213,457 barrels at the Holyrood Generating Station. This was 74,806 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 \$33.80 per barrel, was \$7.86 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

September 2002

RATE STABILIZATION PLAN

Fuel Cost Variation - continued

Consumption Schedule

Period:	Barrels (Qty)	Average Price \$	Amount \$
September 01, 2002 - September 12, 2002	68,301	31.7965	2,171,732.75
September 13, 2002 - September 30, 2002	146,509	34.7288	5,088,081.76
	214,810	33.7964	7,259,814.51
Less: Non-Firm Fuel	(1,353)	33.7964	(45,726.00)
	213,457	33.7964	7,214,088.90

Fuel Cost Variation

Fuel Cost Per Barrel

	Cost of Service \$	Actual \$	Variance \$		Actual Barrels of Fuel Used (Qty.)	Amount \$
(a) Holyrood Generating Station	25.94	33.80	7.86	x	213,457	1,677,772.02
						(To Page 12)

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 \$33.80 per barrel compared with the Cost of Service estimate of \$25.94 per barrel. The difference \$7.86 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 213,457 barrels in the month results in \$1,678,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

Summary of Variations (in thousands of dollars)

OVERALL SUMMARY (in thousands of dollars)

		HYDRAULIC		LOAD VARIATIONS								FUEL COST VARIATIONS		RURAL		
		PRODUCTION VARIATIONS												RATE ALTERATION*		
				UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY						
		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		NO. 6		TOTAL		TOTAL TO ⁽¹⁾
		TO		REVENUE		TO		FUEL		TO		FUEL		TOTAL		DATE DUE
		DATE		COMPONENT		DATE		COMPONENT		DATE		SALES		DATE		FROM (TO)
MONTH	PROD	DATE	COMPONENT	DATE	COMPONENT	DATE	COMPONENT	DATE	SALES	DATE	COST	DATE	ADJUST	DATE	CUSTOMERS	
January																
February																
March																
April																
May																
June																
July																
August																
September	1,668	1,668	(627)	(627)	(98)	(98)	726	726	0	0	1,678	1,678	(20)	(20)	3,327	
October																
November																
December																

(1) 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.

Summary of Variations: For September 2002, hydraulic production was down 39.54 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,668,000. Utility energy sales were 13.10 GWh more than the Cost of Service Study representing \$627,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 4.11 GWh more than the Cost of Service Study representing \$98,000 due to industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were nil. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$726,000. Fuel consumed was 213,457 barrels at an average cost of \$7.86 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$1,678,000. The rural rate alteration results in Hydro owing customers \$20,000.

Netting all of the adjustments, the charge to the Plan for September 2002 excluding financing charges, was an amount owing to Hydro by Customers of \$3,327,000.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

RSP Activity Allocation
September, 2002

Year-to-Date Hydraulic Variation (Page 12)	1,667,752
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	1,677,772
Year-to-Date Fuel Component of Load Variation (Page 12)	726,025
Year-to-Date Rural Rate Alteration (Page 12)	(19,552)
Year-to-Date Total to be allocated	<u>4,015,997</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial Customers	Rural Island Customers	Total	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	527,550,627	102,908,825	40,857,790	671,317,242	
February	489,397,445	105,733,633	37,104,666	632,235,744	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	304,749,677	108,990,827	29,181,710	442,922,214	
November	401,705,271	84,061,144	33,119,205	518,885,620	
December	476,941,151	95,409,631	37,436,687	609,787,469	
Twelve Months to Date	<u>4,499,594,775</u>	<u>1,268,136,937</u>	<u>395,391,412</u>	<u>6,163,123,124</u>	
Percent of Total	0.7301	0.2058	0.0642		
Allocation of RSP Activity	2,958,297	833,747	259,953	4,051,997	
Reallocation of Rural Portion	226,393		(259,953)		33,560
Revenue Component of Load Variation (Page 12)	(627,356)	(98,209)			
Year-to-Date RSP Activity	<u>2,557,334</u>	<u>735,538</u>	<u>0</u>		<u>33,560</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, January - September are 2002 sales, and October - December are 2001 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

September 2002

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward									
January									
February									
March									
April									
May									
June									
July									
August									
September	2,557	0	2,557	736	0	736	3,293	0	3,293
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of September, 2002, the amount owing to Hydro by the Utility customer was \$2,557,000 and the amount owing to Hydro by the Island Industrial customers was \$736,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING</u> <u>CHARGES</u>	<u>BALANCE</u>	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING</u> <u>CHARGES</u>	<u>BALANCE</u>
January								
February								
March								
April								
May								
June								
July								
August				77,200				28,638
September	272,199,934	(482)	446	77,164	108,667,298	(304)	165	28,499
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.280 ¢ per kWh which will remain in effect until December 31, 2002.

IC-139 NLH

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
October 2002

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | | | |
|----|---|---|--|
| 1. | Normal annual hydraulic production assumed in the Cost of Service Study | - | 4,425.00 GWh |
| 2. | Cost of Service No. 6 fuel price | - | \$26.27 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 615 kWh per barrel |
| 4. | Holyrood rate based on \$26.27 per barrel | - | 4.272 ¢ per kWh |
| 5. | Utility energy rate | - | 4.789 ¢ per kWh effective September 1, 2002 |
| 6. | Island industrial energy rate | - | 2.388 ¢ per kWh effective September 1, 2002 |
| 7. | Firming up charge | - | 0.792 ¢ per kWh effective September 1, 2002 |
| 8. | Weighted average cost of capital | - | 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | | | |
|----|--|---|---|
| 1. | Utility rate stabilization plan adjustment | - | 0.177 ¢ per kWh effective July 1, 2001 |
| 2. | Island industrial rate stabilization plan adjustment | - | 0.280 ¢ per kWh effective September 1, 2002 |

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)	Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
Hydro <u>Production Plant</u>										
January	429.30				Bay D'Espoir	174.75	151.96			
February	405.21				Hinds Lake	30.02	26.49			
March	399.21				Upper Salmon	37.89	43.57			
April	366.43				Cat Arm	55.57	51.41			
May	348.04				Paradise River	3.25	2.95			
June	337.18				Mini Hydro	0.60	0.35			
July	410.65				TOTAL	302.08	276.73	(25.35)		
August	381.06									
September	307.54	268.00	(39.54)	(39.54)						
October	302.08	276.73	(25.35)	(64.89)	Holyrood Generating Station					
November	301.90				25.35/0.000615 x \$26.27			1,082,836.59		
December	436.40									
TOTAL	4,425.00									

Total

1,082,836.59

(To Page 12)

1. Hydraulic Production Variations: Actual production in October 2002 was 276.73 GWh compared with the Cost of Service Study of 302.08 GWh, a decrease of 25.35 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,083,000 representing an amount owed to Hydro by Customers based on the \$26.27 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

Load Variations

MONTH	Firm Energy Sales				Firmed Up 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	641.53				0.00			
February	593.34				0.00			
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65	380.87	17.22	17.22	0.00	0.00	0.00	0.00
October	444.28	474.92	30.64	47.86	0.00	0.00	0.00	0.00
November	498.80				0.00			
December	652.79				0.00			
TOTAL	5,873.90				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for October 2002 were 474.92 GWh, 30.64 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for October 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

October 2002

<u>Load Variation Elements</u>		<u>Cost of</u> <u>Service</u> <u>(kwh)</u>	<u>Actual</u> <u>(kwh)</u>	<u>Variance</u> <u>(kwh)</u>	<u>Revenue Component</u>		<u>Fuel Component</u>	
					<u>cents per (kwh)</u>	<u>Amount</u> \$	<u>cents per (kwh)</u>	<u>Amount</u> \$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	<u>330,000,000</u>	<u>351,476,306</u>	<u>21,476,306</u>	(4.789)	<u>(\$1,028,500.29)</u>		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	12,150,000	15,501,988					
	Abitibi-Price (Stephenville)	47,950,000	44,795,904					
	Corner Brook Pulp & Paper	37,719,120	41,484,106					
	North Atlantic Refining Ltd.	<u>16,460,000</u>	<u>21,664,223</u>					
		<u>114,279,120</u>	<u>123,446,221</u>	<u>9,167,101</u>	(2.388)	<u>(\$218,910.37)</u>		
						(To page 12)		
	Total	<u>444,279,120</u>	<u>474,922,527</u>	<u>30,643,407</u>			4.272	<u>\$1,309,086.35</u>
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	<u>0</u>	<u>0</u>	<u>0</u>	(0.792)	<u>\$0.00</u>		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 21.47 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$1,029,000.
- (b) Island Industrial - Actual sales were 9.17 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a savings to the Plan of \$219,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for October 2002 were nil.

Fuel Component:

Total actual firm energy sales were 30.64 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 4.272 ¢ per kWh results in a charge to the Plan of \$1,309,000.

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost	Actual Fuel Cost	Monthly Variance	Cost of Service Barrels	Actual Barrels	Monthly Variance	Cumulative Variance
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(Qty.)
January	24.11			439,320			
February	24.64			396,790			
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94	33.80	7.86	138,651	213,457	74,806	74,806
October	26.27	36.44	10.17	289,535	356,007	66,472	141,278
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in October 2002 was 356,007 barrels at the Holyrood Generating Station. This was 66,472 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 \$36.44 per barrel, was \$10.17 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

October 2002

RATE STABILIZATION PLAN

Fuel Cost Variation - continued

Consumption Schedule

	<u>Barrels</u>	<u>Average</u>	<u>Amount</u>
	<u>(Qty)</u>	<u>Price</u>	
		<u>\$</u>	<u>\$</u>
Period:			
October 01, 2002 - October 08, 2002	98,216	35.8934	3,525,306.17
October 09, 2002 - October 23, 2002	171,699	36.4722	6,262,240.27
October 24, 2002 - October 31, 2002	87,649	36.9701	3,240,392.29
	357,564	36.4353	13,027,938.73
Less: Non-Firm Fuel	(1,557)	36.4353	(56,742.74)
	<u>356,007</u>	<u>36.4353</u>	<u>12,971,195.99</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u>				<u>Actual Barrels</u>	<u>Amount</u>
	<u>Service</u>	<u>Actual</u>	<u>Variance</u>		<u>of Fuel Used</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>		<u>(Qty.)</u>	<u>\$</u>
(a) Holyrood Generating Station	26.27	36.44	10.17	X	356,007	<u>3,620,591.19</u>
						(To Page 12)

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 \$36.44 per barrel compared with the Cost of Service estimate of \$26.27 per barrel. The difference \$10.17 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 356,007 barrels in the month results in \$3,621,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

Summary of Variations (in thousands of dollars)

OVERALL SUMMARY (in thousands of dollars)

MONTH	HYDRAULIC				LOAD VARIATIONS					FUEL COST VARIATIONS		RURAL		TOTAL TO ⁽¹⁾ DATE DUE FROM (TO) CUSTOMERS	
	PRODUCTION VARIATIONS										RATE ALTERATION*				
			UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY						
	TOTAL TO	REVENUE COMPONENT	TOTAL TO	REVENUE COMPONENT	TOTAL TO	FUEL COMPONENT	TOTAL TO	ENERGY SALES	TOTAL TO	NO. 6 FUEL COST	TOTAL TO	RURAL CHANGE ADJUST	TOTAL TO		
	PROD DATE		DATE		DATE		DATE		DATE		DATE		DATE		
January															
February															
March															
April															
May															
June															
July															
August															
September	1,668	1,668	(627)	(627)	(98)	(98)	726	726	0	0	1,678	1,678	(20)	(20)	3,327
October	1,083	2,751	(1,029)	(1,658)	(219)	(317)	1,309	2,035	0	0	3,621	5,299	(1)	(21)	8,091
November															
December															

(1) 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.

Summary of Variations: For October 2002, hydraulic production was down 25.35 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,083,000. Utility energy sales were 21.47 GWh more than the Cost of Service Study representing \$1,029,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 9.17 GWh more than the Cost of Service Study representing \$219,000 due to industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were nil. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$1,309,000. Fuel consumed was 356,007 barrels at an average cost of \$10.17 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$3,621,000. The rural rate alteration results in Hydro owing customers \$1,000.

Netting all of the adjustments, the charge to the Plan for October 2002 excluding financing charges, was an amount owing to Hydro by Customers of \$4,764,000.

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

RSP Activity Allocation
October, 2002

Year-to-Date Hydraulic Variation (Page 12)	2,750,589
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	5,298,363
Year-to-Date Fuel Component of Load Variation (Page 12)	2,035,112
Year-to-Date Rural Rate Alteration (Page 12)	(20,618)
Year-to-Date Total to be Allocated	<u>10,063,446</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial	Rural		Labrador
	Customers	Customers	Island	Total	Interconnected
	(kWh)	(kWh)	Customers	(kWh)	
January	527,550,627	102,908,825	40,857,790	671,317,242	
February	489,397,445	105,733,633	37,104,666	632,235,744	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	401,705,271	84,061,144	33,119,205	518,885,620	
December	<u>476,941,151</u>	<u>95,409,631</u>	<u>37,436,687</u>	<u>609,787,469</u>	
Twelve Months to Date	<u>4,546,321,404</u>	<u>1,282,592,331</u>	<u>397,875,806</u>	<u>6,226,789,541</u>	
Percent of Total	0.7301	0.2060	0.0639		
Allocation of Year-to-date RSP Activity	7,347,552	2,072,866	643,028	10,063,446	
Reallocation of Rural Portion	560,013		(643,028)		83,015
Year-to-Date Revenue Component of Load Variation (Page 12)	(1,655,856)	(317,120)			
Year-to-Date RSP Activity (Page 16)	<u>6,251,709</u>	<u>1,755,746</u>	<u>0</u>		<u>83,015</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, January - October are 2002 sales, and November - December are 2001 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

October 2002

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward									
January									
February									
March									
April									
May									
June									
July									
August									
September	2,557	0	2,557	736	0	736	3,293	0	3,293
October	3,695	15	6,267	1,020	4	1,760	8,027	0	8,027
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of October, 2002, the amount owing to Hydro by the Utility customer was \$6,267,000 and the amount owing to Hydro by the Island Industrial customers was \$1,760,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES	RECOVERY	FINANCING	BALANCE	SALES	RECOVERY	FINANCING	BALANCE
	(kWh)		CHARGES		(kWh)		CHARGES	
January								
February								
March								
April								
May								
June								
July								
August				77,200				28,638
September	272,199,934	(482)	446	77,164	108,667,298	(304)	165	28,499
October	351,476,306	(622)	445	76,987	123,446,221	(345)	165	28,319
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.280 ¢ per kWh which will remain in effect until December 31, 2002.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
November 2002

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | | | |
|----|---|---|--|
| 1. | Normal annual hydraulic production assumed in the Cost of Service Study | - | 4,425.00 GWh |
| 2. | Cost of Service No. 6 fuel price | - | \$26.47 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 615 kWh per barrel |
| 4. | Holyrood rate based on \$26.47 per barrel | - | 4.304 ¢ per kWh |
| 5. | Utility energy rate | - | 4.789 ¢ per kWh effective September 1, 2002 |
| 6. | Island industrial energy rate | - | 2.388 ¢ per kWh effective September 1, 2002 |
| 7. | Firming up charge | - | 0.792 ¢ per kWh effective September 1, 2002 |
| 8. | Weighted average cost of capital | - | 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | | | |
|----|--|---|---|
| 1. | Utility rate stabilization plan adjustment | - | 0.177 ¢ per kWh effective July 1, 2001 |
| 2. | Island industrial rate stabilization plan adjustment | - | 0.280 ¢ per kWh effective September 1, 2002 |

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)	Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
Hydro Production Plant										
January	429.30				Bay D'Espoir	166.85	172.12			
February	405.21				Hinds Lake	35.20	9.34			
March	399.21				Upper Salmon	36.18	48.42			
April	366.43				Cat Arm	58.95	25.86			
May	348.04				Paradise River	4.16	4.10			
June	337.18				Mini Hydro	0.56	0.67			
July	410.65				TOTAL	301.90	260.51	(41.39)		
August	381.06									
September	307.54	268.00	(39.54)	(39.54)						
October	302.08	276.73	(25.35)	(64.89)	Holyrood Generating Station					
November	301.90	260.51	(41.39)	(106.28)	41.39/0.000615 x \$26.47			1,781,452.52		
December	436.40									
TOTAL	4,425.00									

Total

1,781,452.52

(To Page 12)

1. Hydraulic Production Variations: Actual production in November 2002 was 260.51 GWh compared with the Cost of Service Study of 301.90 GWh, a decrease of 41.39 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$1,781,000 representing an amount owed to Hydro by Customers based on the \$26.47 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

Load Variations

MONTH	Firm Energy Sales				Firmed Up 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	641.53				0.00			
February	593.34				0.00			
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65	380.87	17.22	17.22	0.00	0.00	0.00	0.00
October	444.28	474.92	30.64	47.86	0.00	0.00	0.00	0.00
November	498.80	522.98	24.18	72.04	0.00	0.00	0.00	0.00
December	652.79				0.00			
TOTAL	5,873.90				0.00			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for November 2002 were 522.98 GWh, 24.18 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for November 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>	<u>Cost of Service</u>	<u>Actual</u>	<u>Variance</u>	<u>Revenue Component</u>		<u>Fuel Component</u>	
	(kwh)	(kwh)	(kwh)	<u>cents per (kwh)</u>	<u>Amount</u>	<u>cents per (kwh)</u>	<u>Amount</u>
					\$		\$
(a) Utility Firm Energy sales							
Newfoundland Light and Power	<u>382,800,000</u>	<u>412,851,771</u>	30,051,771	(4.789)	<u>(\$1,439,179.31)</u>		
					(To page 12)		
(b) Large Industrial Firm Energy Sales							
Abitibi-Price (Grand Falls)	11,760,000	7,753,637					
Abitibi-Price (Stephenville)	46,350,000	41,760,666					
Corner Brook Pulp & Paper	37,344,681	39,560,926					
North Atlantic Refining Ltd.	<u>20,550,000</u>	<u>21,056,805</u>					
	<u>116,004,681</u>	<u>110,132,034</u>	(5,872,647)	(2.388)	<u>\$140,238.81</u>		
					(To page 12)		
Total	<u>498,804,681</u>	<u>522,983,805</u>	<u>24,179,124</u>			4.304	<u>\$1,040,669.50</u>
							(To page 12)
(c) Firmed up Secondary Energy Sales							
Newfoundland Power	<u>0</u>	<u>0</u>	<u>0</u>	(0.792)	<u>\$0.00</u>		
					(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 30.05 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$1,439,000.
- (b) Island Industrial - Actual sales were 5.87 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$140,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for November 2002 were nil.

Fuel Component:

Total actual firm energy sales were 24.18 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 4.304 ¢ per kWh results in a charge to the Plan of \$1,041,000.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost	Actual Fuel Cost	Monthly Variance	Cost of Service Barrels	Actual Barrels	Monthly Variance	Cumulative Variance
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(Qty.)
January	24.11			439,320			
February	24.64			396,790			
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94	33.80	7.86	138,651	213,457	74,806	74,806
October	26.27	36.44	10.17	289,535	356,007	66,472	141,278
November	26.47	36.02	9.55	389,675	460,146	70,471	211,749
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in November 2002 was 460,146 barrels at the Holyrood Generating Station. This was 70,471 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 \$36.02 per barrel, was \$9.55 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
Fuel Cost Variation - continued

November 2002

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
November 01, 2002 - November 11, 2002	184,352	36.8144	6,786,808.27
November 12, 2002 - November 30, 2002	<u>277,054</u>	35.4960	<u>9,834,308.78</u>
	461,406	36.0228	16,621,117.05
Less: Non-Firm Fuel	<u>(1,260)</u>	36.0228	<u>(45,376.49)</u>
	<u><u>460,146</u></u>	36.0228	<u><u>16,575,740.56</u></u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	26.47	36.02	9.55	X	460,146	<u><u>4,394,394.30</u></u>
						(To Page 12)

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 \$36.02 per barrel compared with the Cost of Service estimate of \$26.47 per barrel. The difference \$9.55 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 460,146 barrels in the month results in \$4,394,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

Summary of Variations (in thousands of dollars)

HYDRAULIC			LOAD VARIATIONS								FUEL COST VARIATIONS		RURAL		
PRODUCTION VARIATIONS													RATE ALTERATION*		
			UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY						
TOTAL			TOTAL		TOTAL		TOTAL		TOTAL		NO. 6	TOTAL	RURAL	TOTAL	TOTAL TO ⁽¹⁾
TO			TO		TO		TO		TO		FUEL	TO	CHANGE	TO	DATE DUE
DATE			DATE		DATE		DATE		DATE		COST	DATE	ADJUST	DATE	FROM (TO)
MONTH	PROD	DATE	COMPONENT	DATE	COMPONENT	DATE	COMPONENT	DATE	SALES	DATE					CUSTOMERS
January															
February															
March															
April															
May															
June															
July															
August															
September	1,668	1,668	(627)	(627)	(98)	(98)	726	726	0	0	1,678	1,678	(20)	(20)	3,327
October	1,063	2,751	(1,029)	(1,656)	(219)	(317)	1,309	2,035	0	0	3,621	5,299	(1)	(21)	8,091
November	1,781	4,532	(1,439)	(3,095)	140	(177)	1,041	3,076	0	0	4,394	9,693	0	(21)	14,008
December															

(1) 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.

Summary of Variations: For November 2002, hydraulic production was down 41.39 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$1,781,000. Utility energy sales were 30.05 GWh more than the Cost of Service Study representing \$1,439,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 5.87 GWh less than the Cost of Service Study representing \$140,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were nil. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$1,041,000. Fuel consumed was 460,146 barrels at an average cost of \$9.55 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$4,394,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for November 2002 excluding financing charges, was an amount owing to Hydro by Customers of \$5,917,000.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

RSP Activity Allocation

November, 2002

Year-to-Date Hydraulic Variation (Page 12)	4,532,041
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	9,692,758
Year-to-Date Fuel Component of Load Variation (Page 12)	3,075,781
Year-to-Date Rural Rate Alteration (Page 12)	(20,618)
Year-to-Date Total to be Allocated	<u>17,279,962</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial	Rural		
	(kWh)	Customers	Island	Total	Labrador
			Customers		Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	527,550,627	102,908,825	40,857,790	671,317,242	
February	489,397,445	105,733,633	37,104,666	632,235,744	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	<u>476,941,151</u>	<u>95,409,631</u>	<u>37,436,687</u>	<u>609,787,469</u>	
Twelve Months to Date	<u>4,557,467,904</u>	<u>1,308,663,221</u>	<u>400,084,225</u>	<u>6,266,215,350</u>	
Percent of Total	0.72731	0.20884	0.06385		
Allocation of Year-to-date RSP Activity	12,567,853	3,608,821	1,103,288	17,279,962	
Reallocation of Rural Portion	960,854		(1,103,288)		142,434
Year-to-Date Revenue Component					
of Load Variation (Page 12)	<u>(3,095,035)</u>	<u>(176,881)</u>			
Year-to-Date RSP Activity (Page 16)	<u>10,433,672</u>	<u>3,431,940</u>	<u>0</u>		<u>142,434</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, January - November are 2002 sales and December is 2001 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

November 2002

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward									
January									
February									
March									
April									
May									
June									
July									
August									
September	2,557	0	2,557	736	0	736	3,293	0	3,293
October	3,695	15	6,267	1,020	4	1,760	8,027	0	8,027
November	4,182	36	10,485	1,676	10	3,446	13,931	0	13,931
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of November, 2002, the amount owing to Hydro by the Utility customer was \$10,485,000 and the amount owing to Hydro by the Island Industrial customers was \$3,446,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING CHARGES</u>	<u>BALANCE</u>	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING CHARGES</u>	<u>BALANCE</u>
January								
February								
March								
April								
May								
June								
July								
August				77,200				28,638
September	272,199,934	(482)	446	77,164	108,667,298	(304)	165	28,499
October	351,476,306	(622)	445	76,987	123,446,221	(345)	165	28,319
November	412,851,771	(731)	445	76,701	110,132,034	(309)	164	28,174
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.280 ¢ per kWh which will remain in effect until December 31, 2002.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
December 2002

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | | | |
|----|---|---|--|
| 1. | Normal annual hydraulic production assumed in the Cost of Service Study | - | 4,425.00 GWh |
| 2. | Cost of Service No. 6 fuel price | - | \$26.80 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 615 kWh per barrel |
| 4. | Holyrood rate based on \$26.80 per barrel | - | 4.358 ¢ per kWh |
| 5. | Utility energy rate | - | 4.789 ¢ per kWh effective September 1, 2002 |
| 6. | Island industrial energy rate | - | 2.388 ¢ per kWh effective September 1, 2002 |
| 7. | Firming up charge | - | 0.792 ¢ per kWh effective September 1, 2002 |
| 8. | Weighted average cost of capital | - | 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | | | |
|----|--|---|---|
| 1. | Utility rate stabilization plan adjustment | - | 0.177 ¢ per kWh effective July 1, 2001 |
| 2. | Island industrial rate stabilization plan adjustment | - | 0.280 ¢ per kWh effective September 1, 2002 |

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)	Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
Hydro Production Plant										
January	429.30				Bay D'Espoir	280.57	208.96			
February	405.21				Hinds Lake	37.25	34.79			
March	399.21				Upper Salmon	60.84	49.65			
April	366.43				Cat Arm	53.08	81.13			
May	348.04				Paradise River	4.14	3.98			
June	337.18				Mini Hydro	0.52	0.70			
July	410.65				TOTAL	436.40	379.21	(57.19)		
August	381.06									
September	307.54	268.00	(39.54)	(39.54)						
October	302.08	276.73	(25.35)	(64.89)	Holyrood Generating Station					
November	301.90	260.51	(41.39)	(106.28)	57.19/0.000615 x \$26.80			2,492,182.11		
December	436.40	379.21	(57.19)	(163.47)						
TOTAL	4425.00									

Total

2,492,182.11

(To Page 12)

1. Hydraulic Production Variations: Actual production in December 2002 was 379.21 GWh compared with the Cost of Service Study of 436.40 GWh, a decrease of 57.19 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$2,492,000 representing an amount owed to Hydro by Customers based on the \$26.80 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

Load Variations

MONTH	Firm Energy Sales				Firmed Up Secondary Energy Sales			
	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)
January	641.53				0.00			
February	593.34				0.00			
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65	380.87	17.22	17.22	0.00	0.00	0.00	0.00
October	444.28	474.92	30.64	47.86	0.00	0.00	0.00	0.00
November	498.80	522.98	24.18	72.04	0.00	0.00	0.00	0.00
December	652.79	620.04	(32.75)	39.29	0.00	0.00	0.00	0.00
TOTAL	5,873.90				0.00			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for December 2002 were 620.04 GWh, 32.75 GWh less than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for December 2002 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>	<u>Cost of</u>	<u>Actual</u>	<u>Variance</u>	<u>Revenue Component</u>		<u>Fuel Component</u>	
	<u>Service</u> <u>(kwh)</u>	<u>(kwh)</u>	<u>(kwh)</u>	<u>cents per (kwh)</u>	<u>Amount</u> \$	<u>cents per (kwh)</u>	<u>Amount</u> \$
(a) Utility Firm Energy sales							
Newfoundland Light and Power	<u>535,000,000</u>	<u>508,213,067</u>	<u>(26,786,933)</u>	(4.789)	<u>\$1,282,826.22</u>		
					(To page 12)		
(b) Large Industrial Firm Energy Sales							
Abitibi-Price (Grand Falls)	11,410,000	13,095,334					
Abitibi-Price (Stephenville)	46,200,000	37,239,840					
Comer Brook Pulp & Paper	38,606,596	39,380,937					
North Atlantic Refining Ltd.	<u>21,570,000</u>	<u>22,111,025</u>					
	<u>117,786,596</u>	<u>111,827,136</u>	<u>(5,959,460)</u>	(2.388)	<u>\$142,311.90</u>		
					(To page 12)		
Total	<u>652,786,596</u>	<u>620,040,203</u>	<u>(32,746,393)</u>			<u>4.358</u>	<u>(\$1,427,087.81)</u>
							(To page 12)
(c) Firmed up Secondary Energy Sales							
Newfoundland Power	<u>0</u>	<u>0</u>	<u>0</u>	(0.792)	<u>\$0.00</u>		
					(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 26.79 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a charge to the Plan of \$1,283,000.
- (b) Island Industrial - Actual sales were 5.96 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$142,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for December 2002 were nil.

Fuel Component:

Total actual firm energy sales were 32.75 GWh less than the Cost of Service and when multiplied by the thermal generation energy rate of 4.358 ¢ per kWh results in a savings to the Plan of \$1,427,000.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	24.11			439,320			
February	24.64			396,790			
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94	33.80	7.86	138,651	213,457	74,806	74,806
October	26.27	36.44	10.17	289,535	356,007	66,472	141,278
November	26.47	36.02	9.55	389,675	460,146	70,471	211,749
December	26.80	35.98	9.18	439,076	439,726	650	212,399
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in December 2002 was 439,726 barrels at the Holyrood Generating Station. This was 650 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 \$35.98 per barrel, was \$9.18 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
Fuel Cost Variation - continued

December 2002

Consumption Schedule

	Barrels (Qty)	Average Price \$	Amount \$
Period:			
December 01, 2002 - December 04, 2002	64,849	34.9303	2,265,195.02
December 05, 2002 - December 19, 2002	207,618	35.8407	7,441,174.45
December 20, 2002 - December 31, 2002	167,817	36.5542	6,134,416.18
	440,284	35.9786	15,840,785.65
Less: Non-Firm Fuel	(558)	35.9786	(20,089.90)
	<u>439,726</u>	35.9786	<u>15,820,695.75</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	Cost of Service \$	Actual \$	Variance \$		Actual Barrels of Fuel Used (Qty.)	Amount \$
(a) Holyrood Generating Station	26.80	35.98	9.18	X	439,726	4,036,684.68
						<u>(To Page 12)</u>

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 \$35.98 per barrel compared with the Cost of Service estimate of \$26.80 per barrel. The difference \$9.18 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 439,726 barrels in the month results in \$4,037,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

Summary of Variations
(in thousands of dollars)

HYDRAULIC										RURAL					
PRODUCTION VARIATIONS			LOAD VARIATIONS								FUEL COST VARIATIONS		RATE ALTERATION*		
			UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY						
TOTAL			TOTAL		TOTAL		TOTAL		TOTAL		NO. 6	TOTAL	RURAL	TOTAL	TOTAL TO ⁽¹⁾
TO			REVENUE		REVENUE		FUEL		ENERGY		FUEL	TO	CHANGE	TO	DATE DUE
MONTH	PROD	DATE	COMPONENT	DATE	COMPONENT	DATE	COMPONENT	DATE	SALES	DATE	COST	DATE	ADJUST	DATE	FROM (TO)
January															
February															
March															
April															
May															
June															
July															
August															
September	1,668	1,668	(627)	(627)	(98)	(98)	726	726	0	0	1,678	1,678	(20)	(20)	3,327
October	1,083	2,751	(1,029)	(1,656)	(219)	(317)	1,309	2,035	0	0	3,621	5,299	(1)	(21)	8,091
November	1,781	4,532	(1,439)	(3,095)	140	(177)	1,041	3,076	0	0	4,394	9,693	0	(21)	14,008
December	2,492	7,024	1,283	(1,812)	142	(35)	(1,427)	1,649	0	0	4,037	13,730	0	(21)	20,535

(1) 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.

Summary of Variations: For December 2002, hydraulic production was down 57.19 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$2,492,000. Utility energy sales were 26.79 GWh less than the Cost of Service Study representing \$1,283,000 due from the utility customers from the revenue component of the load variation. Island industrial energy sales were 5.96 GWh less than the Cost of Service Study representing \$142,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were nil. The fuel component of the load variation resulted in an amount owing to customers by Hydro of \$1,427,000. Fuel consumed was 439,726 barrels at an average cost of \$9.18 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$4,037,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for December 2002 excluding financing charges, was an amount owing to Hydro by Customers of \$6,527,000.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

RSP Activity Allocation
December, 2002

Year-to-Date Hydraulic Variation (Page 12)	7,024,224
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	13,729,442
Year-to-Date Fuel Component of Load Variation (Page 12)	1,648,693
Year-to-Date Rural Rate Alteration (Page 12)	(20,618)
Year-to-Date Total to be Allocated	<u>22,381,741</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial Customers	Rural Island Customers	Total	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	527,550,627	102,908,825	40,857,790	671,317,242	
February	489,397,445	105,733,633	37,104,666	632,235,744	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	<u>508,213,067</u>	<u>111,827,136</u>	<u>40,756,431</u>	<u>660,796,634</u>	
Twelve Months to Date	<u>4,588,739,820</u>	<u>1,325,080,726</u>	<u>403,403,969</u>	<u>6,317,224,515</u>	
Percent of Total	0.72639	0.20976	0.06386		
Allocation of Year-to-date RSP Activity	16,257,770	4,694,722	1,429,248	22,381,741	
Reallocation of Rural Portion	1,244,732		(1,429,248)		184,516
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(1,812,209)</u>	<u>(34,569)</u>			
Year-to-Date RSP Activity (Page 16)	<u>15,690,294</u>	<u>4,660,153</u>	<u>0</u>		<u>184,516</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, January - December are 2002 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

December 2002

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward									
January									
February									
March									
April									
May									
June									
July									
August									
September	2,557	0	2,557	736	0	736	3,293	0	3,293
October	3,695	15	6,267	1,020	4	1,760	8,027	0	8,027
November	4,182	36	10,485	1,676	10	3,446	13,931	0	13,931
December	5,256	61	15,802	1,228	20	4,694	20,496	0	20,496

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of December, 2002, the amount owing to Hydro by the Utility customer was \$15,802,000 and the amount owing to Hydro by the Island Industrial customers was \$4,694,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
January								
February								
March								
April								
May								
June								
July								
August				77,200				28,638
September	272,199,934	(482)	446	77,164	108,667,298	(304)	165	28,499
October	351,476,306	(622)	445	76,987	123,446,221	(345)	165	28,319
November	412,851,771	(731)	445	76,701	110,132,034	(309)	164	28,174
December	508,213,067	(900)	443	76,244	111,827,136	(313)	163	28,024

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.280 ¢ per kWh which will remain in effect until December 31, 2002.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
January 2003

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | |
|--|--|
| 1. Normal annual hydraulic production assumed in the Cost of Service Study | - 4,425.00 GWh |
| 2. Cost of Service No. 6 fuel price | - \$24.11 per barrel |
| 3. Holyrood average annual operating efficiency | - 615 kWh per barrel |
| 4. Holyrood rate based on \$24.11 per barrel | - 3.921 ¢ per kWh |
| 5. Utility energy rate | - 4.789 ¢ per kWh effective September 1, 2002 |
| 6. Island industrial energy rate | - 2.388 ¢ per kWh effective September 1, 2002 |
| 7. Firming up charge | - 0.792 ¢ per kWh effective September 1, 2002 |
| 8. Weighted average cost of capital | - 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | |
|---|---|
| 1. Utility rate stabilization plan adjustment | - 0.177 ¢ per kWh effective July 1, 2001 |
| 2. Island industrial rate stabilization plan adjustment | - 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Hydraulic Production

January 2003

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					<u>Hydro Production Plant</u>						
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	268.69	211.05				
February	405.21				Hinds Lake	47.58	34.67				
March	399.21				Upper Salmon	58.25	45.98				
April	366.43				Cat Arm	50.80	83.69				
May	348.04				Paradise River	3.49	1.74				
June	337.18				Mini Hydro	0.49	0.62				
July	410.65				TOTAL	429.30	377.75	(51.55)			
August	381.06										
September	307.54										
October	302.08				Holyrood Generating Station						
November	301.90				51.55/0.000615 x \$24.11				2,020,927.64		
December	436.40										
TOTAL	4,425.00										

Total

2,020,927.64

(To Page 12)

1. Hydraulic Production Variations: Actual production in January 2003 was 377.75 GWh compared with the Cost of Service Study of 429.30 GWh, a decrease of 51.55 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$2,021,000 representing an amount owed to Hydro by Customers based on the \$24.11 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations

January 2003

MONTH	Firm Energy Sales				Firmed Up 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	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34				0.00			
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	5,873.90				0.00			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for January 2003 were 664.15 GWh, 22.62 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for January 2003 were nil.

NEWFOUNDLAND AND LABRADOR HYDRO

January 2003

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Revenue Component		Fuel Component	
					cents per (kwh)	Amount \$	cents per (kwh)	Amount \$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	<u>522,600,000</u>	<u>548,663,002</u>	26,063,002	(4.789)	<u>(\$1,248,157.17)</u>		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	12,399,200	9,707,117					
	Abitibi-Price (Stephenville)	46,350,000	46,542,258					
	Corner Brook Pulp & Paper	38,606,596	38,240,982					
	North Atlantic Refining Ltd.	<u>21,570,000</u>	<u>20,998,070</u>					
		<u>118,925,796</u>	<u>115,488,427</u>	(3,437,369)	(2.388)	<u>\$82,084.37</u>		
						(To page 12)		
	Total	<u>641,525,796</u>	<u>664,151,429</u>	<u>22,625,633</u>			3.921	<u>\$887,151.07</u>
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	<u>0</u>	<u>0</u>	<u>0</u>	(0.792)	<u>\$0.00</u>		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 26.06 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$1,248,000.
- (b) Island Industrial - Actual sales were 3.44 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$82,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for January 2003 were nil.

Fuel Component:

Total actual firm energy sales were 22.62 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 3.921 ¢ per kWh results in a charge to the Plan of \$887,000.

NEWFOUNDLAND AND LABRADOR HYDRO

January 2003

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64			396,790			
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in January 2003 was 513,022 barrels at the Holyrood Generating Station. This was 73,702 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 \$39.63 per barrel, was \$15.52 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
Fuel Cost Variation - continued

January 2003

Fuel Cost Variations - Continued

Consumption Schedule

	Barrels (Qty)	Average Price \$	Amount \$
Period:			
January 01, 2003 - January 12, 2003	217,626	36.9615	8,043,783.40
January 13, 2003 - January 21, 2003	133,990	40.5472	5,432,919.33
January 22, 2003 - January 31, 2003	167,094	42.3588	7,077,901.33
	518,710	39.6264	20,554,604.04
Less: Non-Firm Fuel	(5,688)	39.6264	(225,410.88)
	<u>513,022</u>	39.6264	<u>20,329,193.17</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	Cost of Service \$	Actual \$	Variance \$		Actual Barrels of Fuel Used (Qty.)	Amount \$
(a) Holyrood Generating Station	24.11	39.63	15.52	X	513,022	7,962,101.44
						(To Page 12)

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 \$39.63 per barrel compared with the Cost of Service estimate of \$24.11 per barrel. The difference \$15.52 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 513,022 barrels in the month results in \$7,962,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

January 2003

RATE STABILIZATION PLAN

Summary of Variations
(in thousands of dollars)

HYDRAULIC		LOAD VARIATIONS								FUEL COST VARIATIONS		RURAL		TOTAL TO ⁽¹⁾ DATE DUE FROM (TO) CUSTOMERS
PRODUCTION VARIATIONS												RATE ALTERATION*		
		UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY						
TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		NO. 6	TOTAL	RURAL	TOTAL	
TO		REVENUE		REVENUE		FUEL		ENERGY		FUEL	TO	CHANGE	TO	
MONTH	PROD	DATE	COMPONENT	DATE	COMPONENT	DATE	COMPONENT	DATE	SALES	DATE	COST	DATE	ADJUST	DATE
January	2,021	2,021	(1,248)	(1,248)	82	82	887	887	0	0	7,962	7,962	0	0
February														
March														
April														
May														
June														
July														
August														
September														
October														
November														
December														

(1) 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.

Summary of Variations: For January 2003, hydraulic production was down 51.55 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$2,021,000. Utility energy sales were 26.06 GWh more than the Cost of Service Study representing \$1,248,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 3.44 GWh less than the Cost of Service Study representing \$82,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were nil. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$887,000. Fuel consumed was 513,022 barrels at an average cost of \$15.52 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$7,962,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for January 2003 excluding financing charges, was an amount owing to Hydro by Customers of \$9,704,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

January 2003

RSP Activity Allocation
January, 2003

Year-to-Date Hydraulic Variation (Page 12)	2,020,928
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	7,962,101
Year-to-Date Fuel Component of Load Variation (Page 12)	887,151
Year-to-Date Rural Rate Alteration (Page 12)	0
Year-to-Date Total to be Allocated	<u>10,870,180</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial Customers	Rural Island Customers	Total	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	489,397,445	105,733,633	37,104,666	632,235,744	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,609,852,195</u>	<u>1,337,660,328</u>	<u>404,232,148</u>	<u>6,351,744,671</u>	
Percent of Total	0.72576	0.21060	0.06364		
Allocation of Year-to-date RSP Activity	7,889,159	2,289,231	691,790	10,870,180	
Reallocation of Rural Portion	602,480		(691,790)		89,310
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(1,248,157)</u>	<u>82,084</u>			
Year-to-Date RSP Activity (Page 16)	<u>7,243,482</u>	<u>2,371,315</u>	<u>0</u>		<u>89,310</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, February - December are 2002 sales and January is 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

January 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward			15,802			4,694			20,496
January	7,244	91	23,137	2,371	27	7,092	9,733	20,496	30,229
February									
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of January 2003, the amount owing to Hydro by the Utility customer was \$23,137,000 and the amount owing to Hydro by the Island Industrial customers was \$7,092,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.

IC-139 NLH

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
February 2003



RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | |
|--|--|
| 1. Normal annual hydraulic production assumed in the Cost of Service Study | - 4,425.00 GWh |
| 2. Cost of Service No. 6 fuel price | - \$24.64 per barrel |
| 3. Holyrood average annual operating efficiency | - 615 kWh per barrel |
| 4. Holyrood rate based on \$24.64 per barrel | - 4.007 ¢ per kWh |
| 5. Utility energy rate | - 4.789 ¢ per kWh effective September 1, 2002 |
| 6. Island industrial energy rate | - 2.388 ¢ per kWh effective September 1, 2002 |
| 7. Firming up charge | - 0.792 ¢ per kWh effective September 1, 2002 |
| 8. Weighted average cost of capital | - 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | |
|---|---|
| 1. Utility rate stabilization plan adjustment | - 0.177 ¢ per kWh effective July 1, 2001 |
| 2. Island industrial rate stabilization plan adjustment | - 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Hydraulic Production

February 2003

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro <u>Production Plant</u>						
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	250.49	227.32				
February	405.21	385.96	(19.25)	(70.80)	Hinds Lake	41.37	40.25				
March	399.21				Upper Salmon	54.31	46.99				
April	366.43				Cat Arm	55.57	68.24				
May	348.04				Paradise River	3.03	2.72				
June	337.18				Mini Hydro	0.44	0.44				
July	410.65				TOTAL	405.21	385.96	(19.25)			
August	381.06										
September	307.54										
October	302.08										
November	301.90				Holyrood Generating Station						
December	436.40				19.25/0.000615 x \$24.64				771,252.03		
TOTAL	4,425.00										

Total

771,252.03
(To Page 12)

1. Hydraulic Production Variations: Actual production in February 2003 was 385.96 GWh compared with the Cost of Service Study of 405.21 GWh, a decrease of 19.25 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$771,000 representing an amount owed to Hydro by Customers based on the \$24.64 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations

February 2003

<u>Firm Energy Sales</u>					<u>Firmed Up Secondary Energy Sales</u>			
MONTH	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	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34	622.51	29.17	51.79	0.00	0.01	0.01	0.01
March	594.59				0.00			
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	<u>5,873.90</u>				<u>0.00</u>			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for February 2003 were 622.51 GWh, 29.17 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for February 2003 were 0.01 GWh more than estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

February 2003

<u>Load Variation Elements</u>	<u>Cost of</u>	<u>Actual</u>	<u>Variance</u>	<u>Revenue Component</u>		<u>Fuel Component</u>	
	<u>Service</u> (kwh)			<u>cents per (kwh)</u>	<u>Amount</u> \$	<u>cents per (kwh)</u>	<u>Amount</u> \$
(a) Utility Firm Energy sales							
Newfoundland Light and Power	<u>484,100,000</u>	<u>515,311,711</u>	31,211,711	(4.789)	<u>(\$1,494,728.84)</u>		
					(To page 12)		
(b) Large Industrial Firm Energy Sales							
Abitibi-Price (Grand Falls)	11,660,000	11,566,907					
Abitibi-Price (Stephenville)	43,250,000	42,927,872					
Corner Brook Pulp & Paper	34,850,851	32,848,114					
North Atlantic Refining Ltd.	<u>19,480,000</u>	<u>19,860,222</u>					
	<u>109,240,851</u>	<u>107,203,115</u>	(2,037,736)	(2.388)	<u>\$48,661.14</u>		
					(To page 12)		
Total	<u>593,340,851</u>	<u>622,514,826</u>	<u>29,173,975</u>			4.007	<u>\$1,169,001.18</u>
							(To page 12)
(c) Firmed up Secondary Energy Sales							
Newfoundland Power	<u>0</u>	<u>5,728</u>	<u>5,728</u>	(0.792)	<u>(\$45.37)</u>		
					(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 31.21 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$1,495,000.
- (b) Island Industrial - Actual sales were 2.04 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$49,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for February 2003 were 0.01 GWh more than the Cost of Service Study and had a negligible effect on the Plan.

Fuel Component:

Total actual firm energy sales were 29.17 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 4.007 ¢ per kWh results in a charge to the Plan of \$1,169,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Fuel Cost Variation

February 2003

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost	Actual Fuel Cost	Monthly Variance	Cost of Service Barrels	Actual Barrels	Monthly Variance	Cumulative Variance
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64	44.44	19.80	396,790	426,264	29,474	103,176
March	24.80			402,621			
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in February 2003 was 426,264 barrels at the Holyrood Generating Station. This was 29,474 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 \$44.44 per barrel, was \$19.80 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
Fuel Cost Variation - continued

February 2003

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
February 01, 2003 - February 10, 2003	158,769	43.9198	6,973,102.73
February 11, 2003 - February 22, 2003	193,900	44.6325	8,654,241.75
February 23, 2003 - February 28, 2003	87,273	44.9470	3,922,659.53
	439,942	44.4377	19,550,004.01
Less: Non-Firm Fuel	(13,678)	44.4377	(607,817.57)
	<u>426,264</u>	44.4377	<u>18,942,186.44</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	24.64	44.44	19.80	X	426,264	<u>8,440,027.20</u>
						(To Page 12)

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 \$44.44 per barrel compared with the Cost of Service estimate of \$24.64 per barrel. The difference \$19.80 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 426,264 barrels in the month results in \$8,440,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO RATE STABILIZATION PLAN

February 2003

Summary of Variations (in thousands of dollars)

MONTH	HYDRAULIC		LOAD VARIATIONS								FUEL COST VARIATIONS		RURAL		TOTAL TO ⁽¹⁾ DATE DUE FROM (TO) CUSTOMERS
	<u>PRODUCTION VARIATIONS</u>										<u>FUEL COST VARIATIONS</u>		<u>RATE ALTERATION*</u>		
			<u>UTILITY</u>		<u>ISLAND INDUSTRIAL</u>		<u>FUEL</u>		<u>SECONDARY</u>						
	TOTAL TO	REVENUE	TOTAL TO	REVENUE	TOTAL TO	FUEL TO	ENERGY TO	TOTAL TO	NO. 6 FUEL	TOTAL TO	RURAL CHANGE	TOTAL TO			
	<u>PROD</u> <u>DATE</u>	<u>COMPONENT</u>	<u>DATE</u>	<u>COMPONENT</u>	<u>DATE</u>	<u>COMPONENT</u>	<u>DATE</u>	<u>SALES</u> <u>DATE</u>	<u>DATE</u>	<u>COST</u>	<u>DATE</u>	<u>ADJUST</u>	<u>DATE</u>		
January	2,021	2,021	(1,248)	(1,248)	82	82	887	887	-	-	7,962	7,962	-	-	9,704
February	771	2,792	(1,495)	(2,743)	49	131	1,169	2,056	-	-	8,440	16,402	-	-	18,638
March															
April															
May															
June															
July															
August															
September															
October															
November															
December															

(1) 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.

Summary of Variations: For February 2003, hydraulic production was down 19.25 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$771,000. Utility energy sales were 31.21 GWh more than the Cost of Service Study representing \$1,495,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 2.04 GWh less than the Cost of Service Study representing \$49,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were up 0.01 GWh from the Cost of Service Study which had a negligible effect on the Plan. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$1,169,000. Fuel consumed was 426,264 barrels at an average cost of \$19.80 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$8,440,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for February 2003 excluding financing charges, was an amount owing to Hydro by Customers of \$8,934,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN

February 2003

RSP Activity Allocation
February, 2003

Year-to-Date Hydraulic Variation (Page 12)	2,792,180
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	16,402,129
Year-to-Date Fuel Component of Load Variation (Page 12)	2,056,152
Year-to-Date Rural Rate Alteration (Page 12)	-
Year-to-Date Total to be Allocated	<u>21,250,461</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial Customers	Rural Island Customers	Total	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	515,317,439	107,203,115	39,664,955	662,185,509	
March	492,768,129	104,218,611	39,625,497	636,612,237	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,635,772,189</u>	<u>1,339,129,810</u>	<u>406,792,437</u>	<u>6,381,694,436</u>	
Percent of Total	0.72642	0.20984	0.06374		
Allocation of Year-to-date RSP Activity	15,436,699	4,459,180	1,354,582	21,250,461	
Reallocation of Rural Portion	1,179,705		(1,354,582)		174,877
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(2,742,931)</u>	<u>130,746</u>			
Year-to-Date RSP Activity (Page 16)	<u>13,873,473</u>	<u>4,589,926</u>	<u>-</u>		<u>174,877</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, March - December are 2002 sales and January - February are 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

February 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward			15,802			4,694			20,496
January	7,244	91	23,137	2,371	27	7,092	9,733	20,496	30,229
February	6,630	134	29,901	2,219	41	9,352	18,757	20,496	39,253
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of February 2003, the amount owing to Hydro by the Utility customer was \$29,901,000 and the amount owing to Hydro by the Island Industrial customers was \$9,352,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February	515,317,439	(912)	437	75,238	107,203,115	(453)	160	27,404
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
March 2003

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | |
|--|--|
| 1. Normal annual hydraulic production assumed in the Cost of Service Study | - 4,425.00 GWh |
| 2. Cost of Service No. 6 fuel price | - \$24.80 per barrel |
| 3. Holyrood average annual operating efficiency | - 615 kWh per barrel |
| 4. Holyrood rate based on \$24.80 per barrel | - 4.033 ¢ per kWh |
| 5. Utility energy rate | - 4.789 ¢ per kWh effective September 1, 2002 |
| 6. Island industrial energy rate | - 2.388 ¢ per kWh effective September 1, 2002 |
| 7. Firming up charge | - 0.792 ¢ per kWh effective September 1, 2002 |
| 8. Weighted average cost of capital | - 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | |
|---|---|
| 1. Utility rate stabilization plan adjustment | - 0.177 ¢ per kWh effective July 1, 2001 |
| 2. Island industrial rate stabilization plan adjustment | - 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Hydraulic Production

March 2003

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
Hydro Production Plant											
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	228.69	253.52				
February	405.21	385.96	(19.25)	(70.80)	Hinds Lake	37.23	19.84				
March	399.21	410.37	11.16	(59.64)	Upper Salmon	49.58	53.84				
April	366.43				Cat Arm	79.36	81.20				
May	348.04				Paradise River	3.87	1.67				
June	337.18				Mini Hydro	0.48	0.30				
July	410.65				TOTAL	399.21	410.37	11.16			
August	381.06										
September	307.54										
October	302.08										
November	301.90				Holyrood Generating Station						
December	436.40				11.16/0.000615 x \$24.80				(450,029.27)		
TOTAL	4,425.00										

Total

(450,029.27)

(To Page 12)

1. Hydraulic Production Variations: Actual production in March 2003 was 410.37 GWh compared with the Cost of Service Study of 399.21 GWh, an increase of 11.16 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$450,000 representing an amount owed by Hydro to Customers based on the \$24.80 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations

March 2003

MONTH	Firm Energy Sales				Firmed Up Secondary Energy Sales			
	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)
January	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34	622.51	29.17	51.79	0.00	0.01	0.01	0.01
March	594.59	659.11	64.52	116.31	0.00	0.01	0.01	0.02
April	496.19				0.00			
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	<u>5,873.90</u>				<u>0.00</u>			

2 . Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for March 2003 were 659.11 GWh, 64.52 GWh more than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for March 2003 were 0.01 GWh more than estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

March 2003

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>		<u>Cost of Service</u>	<u>Actual</u>	<u>Variance</u>	<u>Revenue</u>	<u>Component</u>	<u>Fuel</u>	<u>Component</u>
		(kwh)	(kwh)	(kwh)	<u>cents per (kwh)</u>	<u>Amount</u>	<u>cents per (kwh)</u>	<u>Amount</u>
						\$		\$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	473,900,000	541,032,335	67,132,335	(4.789)	(3,214,967.52)		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	12,900,000	11,073,069					
	Abitibi-Price (Stephenville)	47,950,000	47,618,148					
	Corner Brook Pulp & Paper	38,606,596	37,562,330					
	North Atlantic Refining Ltd.	21,230,000	21,821,405					
		120,686,596	118,074,952	(2,611,644)	(2.388)	62,366.06		
						(To page 12)		
	Total	594,586,596	659,107,287	64,520,691			4.03	2,602,119.47
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	0	10,816	10,816	(0.792)	(85.66)		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 67.13 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$3,215,000.
- (b) Island Industrial - Actual sales were 2.61 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$62,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for March 2003 were 0.01 GWh more than the Cost of Service Study and had a negligible effect on the Plan.

Fuel Component:

Total actual firm energy sales were 64.52 GWh more than the Cost of Service and when multiplied by the thermal generation energy rate of 4.033 ¢ per kWh results in a charge to the Plan of \$2,602,000.

NEWFOUNDLAND AND LABRADOR HYDRO

March 2003

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost	Actual Fuel Cost	Monthly Variance	Cost of Service Barrels	Actual Barrels	Monthly Variance	Cumulative Variance
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64	44.44	19.80	396,790	426,264	29,474	103,176
March	24.80	43.56	18.76	402,621	444,953	42,332	145,508
April	25.12			283,106			
May	25.36			219,174			
June	25.36			140,085			
July	25.36			-			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in March 2003 was 444,953 barrels at the Holyrood Generating Station. This was 42,332 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 \$43.56 per barrel, was \$18.76 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
Fuel Cost Variation - continued

March 2003

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
March 1, 2003 - March 20, 2003	276,759	44.5414	12,327,233.32
March 21, 2003 - March 31, 2003	<u>171,560</u>	<u>41.9880</u>	<u>7,203,461.28</u>
	448,319	43.5643	19,530,694.60
Less: Non-Firm Fuel	<u>(3,366)</u>	<u>43.5643</u>	<u>(146,637.37)</u>
	<u><u>444,953</u></u>	<u><u>43.5643</u></u>	<u><u>19,384,057.23</u></u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	24.80	43.56	18.76	X	444,953	<u><u>8,347,318.28</u></u>
						(To Page 12)

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 \$43.56 per barrel compared with the Cost of Service estimate of \$24.80 per barrel. The difference \$18.76 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 444,953 barrels in the month results in \$8,347,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

March 2003

RATE STABILIZATION PLAN

Summary of Variations (in thousands of dollars)

OVERALL SUMMARY (in thousands of dollars)

HYDRAULIC															RURAL	
PRODUCTION VARIATIONS				LOAD VARIATIONS							FUEL COST VARIATIONS		RATE ALTERATION*			

(1) 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.

Summary of Variations: For March 2003, hydraulic production was up 11.16 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$450,000. Utility energy sales were 67.13 GWh more than the Cost of Service Study representing \$3,215,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 2.61 GWh less than the Cost of Service Study representing \$62,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were up 0.01 GWh from the Cost of Service Study which had a negligible effect on the Plan. The fuel component of the load variation resulted in an amount owing to Hydro by customers of \$2,602,000. Fuel consumed was 444,953 barrels at an average cost of \$18.76 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$8,347,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for March 2003 excluding financing charges, was an amount owing to Hydro by Customers of \$7,346,000.

**NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN**

March 2003

**RSP Activity Allocation
March, 2003**

Year-to-Date Hydraulic Variation (Page 12)	2,342,150
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	24,749,447
Year-to-Date Fuel Component of Load Variation (Page 12)	4,658,272
Year-to-Date Rural Rate Alteration (Page 12)	-
Year-to-Date Total to be Allocated	<u>31,749,869</u>

Firmed and Firmed up Secondary Energy Sales:

	<u>Utility</u>	<u>Industrial Customers</u>	<u>Rural Island Customers</u>	<u>Total</u>	<u>Labrador Interconnected</u>
	(kWh)	(kWh)	(kWh)	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	515,317,439	107,203,115	39,664,955	662,185,509	
March	541,043,151	118,074,952	41,334,314	700,452,417	
April	402,250,598	121,669,709	34,202,495	558,122,802	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,684,047,211</u>	<u>1,352,986,151</u>	<u>408,501,254</u>	<u>6,445,534,616</u>	
Percent of Total	0.72671	0.20991	0.06338		
Allocation of Year-to-date RSP Activity	23,073,010	6,664,635	2,012,224	31,749,869	
Reallocation of Rural Portion	1,752,446		(2,012,224)		259,778
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(5,957,985)</u>	<u>193,112</u>			
Year-to-Date RSP Activity (Page 16)	<u>18,867,472</u>	<u>6,857,746</u>	-		<u>259,778</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, April - December are 2002 sales and January - March are 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

March 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward			15,802			4,694			20,496
January	7,244	91	23,137	2,371	27	7,092	9,733	20,496	30,229
February	6,630	134	29,901	2,219	41	9,352	18,757	20,496	39,253
March	4,993	173	35,067	2,268	54	11,674	26,245	20,496	46,741
April									
May									
June									
July									
August									
September									
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of March 2003, the amount owing to Hydro by the Utility customer was \$35,067,000 and the amount owing to Hydro by the Island Industrial customers was \$11,674,000.

RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING CHARGES</u>	<u>BALANCE</u>	<u>SALES</u> (kWh)	<u>RECOVERY</u>	<u>FINANCING CHARGES</u>	<u>BALANCE</u>
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February	515,317,439	(912)	437	75,238	107,203,115	(453)	160	27,404
March	541,043,151	(958)	435	74,715	118,074,952	(499)	158	27,063
April								
May								
June								
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.

**NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT**

April 2003

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | |
|--|--|
| 1. Normal annual hydraulic production assumed in the Cost of Service Study | - 4,425.00 GWh |
| 2. Cost of Service No. 6 fuel price | - \$25.12 per barrel |
| 3. Holyrood average annual operating efficiency | - 615 kWh per barrel |
| 4. Holyrood rate based on \$25.12 per barrel | - 4.084 ¢ per kWh |
| 5. Utility energy rate | - 4.789 ¢ per kWh effective September 1, 2002 |
| 6. Island industrial energy rate | - 2.388 ¢ per kWh effective September 1, 2002 |
| 7. Firming up charge | - 0.792 ¢ per kWh effective September 1, 2002 |
| 8. Weighted average cost of capital | - 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | |
|---|---|
| 1. Utility rate stabilization plan adjustment | - 0.177 ¢ per kWh effective July 1, 2001 |
| 2. Island industrial rate stabilization plan adjustment | - 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO

April 2003

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro <u>Production Plant</u>						
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	230.45	168.03				
February	405.21	385.96	(19.25)	(70.80)	Hinds Lake	23.81	13.87				
March	399.21	410.37	11.16	(59.64)	Upper Salmon	49.96	47.52				
April	366.43	311.57	(54.86)	(114.50)	Cat Arm	56.68	76.84				
May	348.04				Paradise River	4.91	5.00				
June	337.18				Mini Hydro	<u>0.62</u>	<u>0.31</u>				
July	410.65				TOTAL	<u>366.43</u>	<u>311.57</u>	(54.86)			
August	381.06										
September	307.54										
October	302.08										
November	301.90				Holyrood Generating Station						
December	<u>436.40</u>				54.86/0.000615 x \$25.12				2,240,785.69		
TOTAL	<u>4,425.00</u>										

Total

2,240,785.69

(To Page 12)

1. Hydraulic Production Variations: Actual production in April 2003 was 311.57 GWh compared with the Cost of Service Study of 366.43 GWh, a decrease of 54.86 GWh. This decrease in hydraulic production resulted in a charge to the Plan of \$2,241,000 representing an amount owed to Hydro by Customers based on the \$25.12 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations

April 2003

MONTH	Firm Energy Sales				Firmed Up Secondary Energy Sales			
	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)
January	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34	622.51	29.17	51.79	0.00	0.01	0.01	0.01
March	594.59	659.11	64.52	116.31	0.00	0.01	0.01	0.02
April	496.19	489.54	(6.65)	109.66	0.00	0.00	0.00	0.02
May	443.89				0.00			
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	<u>5,873.90</u>				<u>0.00</u>			

2. Load Variation:

- (a) Firm Energy Sales - Actual firm energy sales for April 2003 were 489.54 GWh, 6.65 GWh less than estimated in the Cost of Service Study.
- (b) Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for April 2003 were negligible.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

April 2003

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Revenue cents per (kwh)	Component Amount \$	Fuel cents per (kwh)	Component Amount \$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	<u>379,300,000</u>	<u>413,416,784</u>	34,116,784	(4.789)	<u>(1,633,852.79)</u>		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	13,130,000	5,914,751					
	Abitibi-Price (Stephenville)	46,350,000	21,106,896					
	Corner Brook Pulp & Paper	37,344,681	28,558,499					
	North Atlantic Refining Ltd.	<u>20,070,000</u>	<u>20,542,393</u>					
		<u>116,894,681</u>	<u>76,122,539</u>	(40,772,142)	(2.388)	<u>973,638.75</u>		
						(To page 12)		
	Total	<u>496,194,681</u>	<u>489,539,323</u>	<u>(6,655,358)</u>			4.084	<u>(271,804.82)</u>
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	<u>0</u>	<u>2,205</u>	<u>2,205</u>	(0.792)	<u>(17.46)</u>		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 34.12 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$1,634,000.
- (b) Island Industrial - Actual sales were 40.77 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$974,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for April 2003 were negligible.

Fuel Component:

Total actual firm energy sales were 6.65 GWh less than the Cost of Service and when multiplied by the thermal generation energy rate of 4.084 ¢ per kWh results in a savings to the Plan of \$272,000.

NEWFOUNDLAND AND LABRADOR HYDRO

April 2003

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost	Actual Fuel Cost	Monthly Variance	Cost of Service Barrels	Actual Barrels	Monthly Variance	Cumulative Variance
	(\$)	(\$)	(\$)	(Qty.)	(Qty.)	(Qty.)	(Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64	44.44	19.80	396,790	426,264	29,474	103,176
March	24.80	43.56	18.76	402,621	444,953	42,332	145,508
April	25.12	41.95	16.83	283,106	301,685	18,579	164,087
May	25.36			219,174			
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in April 2003 was 301,685 barrels at the Holyrood Generating Station. This was 18,579 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 \$41.95 per barrel, was \$16.83 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
Fuel Cost Variation - continued

April 2003

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
April 1, 2003 - April 27, 2003	298,128	42.0880	12,547,611.26
April 27, 2003 - April 30, 2003	<u>4,135</u>	<u>32.2409</u>	<u>133,316.12</u>
	302,263	41.9533	12,680,927.38
Less: Non-Firm Fuel	<u>(578)</u>	<u>41.9533</u>	<u>(24,249.00)</u>
	<u>301,685</u>	<u>41.9533</u>	<u>12,656,678.38</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	25.12	41.95	16.83	X	301,685	<u>5,077,358.55</u>
						(To Page 12)

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 \$41.95 per barrel compared with the Cost of Service estimate of \$25.12 per barrel. The difference \$16.83 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 301,685 barrels in the month results in \$5,077,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO April 2003

RATE STABILIZATION PLAN

Summary of Variations
(in thousands of dollars)

HYDRAULIC											RURAL				
PRODUCTION VARIATIONS				LOAD VARIATIONS							FUEL COST VARIATIONS		RATE ALTERATION*		
MONTH			UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY		NO. 6 FUEL COST	TOTAL TO DATE	RURAL CHANGE ADJUST	TOTAL TO DATE	TOTAL TO ⁽¹⁾ DATE DUE FROM (TO) CUSTOMERS
	TOTAL TO PROD	DATE	REVENUE TO COMPONENT	DATE	REVENUE TO COMPONENT	DATE	FUEL TO COMPONENT	DATE	ENERGY TO SALES	DATE					
January	2,021	2,021	(1,248)	(1,248)	82	82	887	887	0	0	7,962	7,962	0	0	9,704
February	771	2,792	(1,495)	(2,743)	49	131	1,169	2,056	0	0	8,440	16,402	0	0	18,638
March	(450)	2,342	(3,215)	(5,958)	62	193	2,602	4,658	0	0	8,347	24,749	0	0	25,984
April	2,241	4,583	(1,634)	(7,592)	974	1,167	(272)	4,386	0	0	5,077	29,826	0	0	32,370
May															
June															
July															
August															
September															
October															
November															
December															

(1) 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.

Summary of Variations: For April 2003, hydraulic production was down 54.86 GWh from the Cost of Service Study which resulted in Customers owing Hydro \$2,241,000. Utility energy sales were 34.12 GWh more than the Cost of Service Study representing \$1,634,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 40.77 GWh less than the Cost of Service Study representing \$974,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were negligible for the month. The fuel component of the load variation resulted in an amount owing to Customers by Hydro of \$272,000. Fuel consumed was 301,685 barrels at an average cost of \$16.83 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$5,077,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for April 2003 excluding financing charges, was an amount owing to Hydro by Customers of \$6,386,000.

NEWFOUNDLAND AND LABRADOR HYDRO

April 2003

RATE STABILIZATION PLAN

RSP Activity Allocation
April, 2003

Year-to-Date Hydraulic Variation (Page 12)	4,582,936
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	29,826,805
Year-to-Date Fuel Component of Load Variation (Page 12)	4,386,467
Year-to-Date Rural Rate Alteration (Page 12)	-
Year-to-Date Total to be Allocated	<u>38,796,208</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial Customers	Rural Island Customers	Total	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	515,317,439	107,203,115	39,664,955	662,185,509	
March	541,043,151	118,074,952	41,334,314	700,452,417	
April	413,418,989	76,122,539	34,840,752	524,382,280	
May	339,609,914	104,585,108	33,217,766	477,412,788	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,695,215,602</u>	<u>1,307,438,981</u>	<u>409,139,511</u>	<u>6,411,794,094</u>	
Percent of Total	73.23%	20.39%	6.38%		
Allocation of Year-to-date RSP Activity	28,409,609	7,910,996	2,475,604	38,796,208	
Reallocation of Rural Portion	2,156,003		(2,475,604)		319,600
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(7,591,855)</u>	<u>1,166,750</u>			
Year-to-Date RSP Activity (Page 16)	<u>22,973,758</u>	<u>9,077,746</u>	<u>0</u>		<u>319,600</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, May - December are 2002 sales and January - April are 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

April 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

[illegible]

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of April 2003, the amount owing to Hydro by the Utility customer was \$39,377,000 and the amount owing to Hydro by the Island Industrial customers was \$13,961,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

April 2003

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February	515,317,439	(912)	437	75,238	107,203,115	(453)	160	27,404
March	541,043,151	(958)	435	74,715	118,074,952	(499)	158	27,063
April	413,418,989	(732)	432	74,415	76,122,539	(322)	156	26,897
May								
June								
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
May 2003

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | |
|--|--|
| 1. Normal annual hydraulic production assumed in the Cost of Service Study | - 4,425.00 GWh |
| 2. Cost of Service No. 6 fuel price | - \$25.36 per barrel |
| 3. Holyrood average annual operating efficiency | - 615 kWh per barrel |
| 4. Holyrood rate based on \$25.36 per barrel | - 4.124 ¢ per kWh |
| 5. Utility energy rate | - 4.789 ¢ per kWh effective September 1, 2002 |
| 6. Island industrial energy rate | - 2.388 ¢ per kWh effective September 1, 2002 |
| 7. Firming up charge | - 0.792 ¢ per kWh effective September 1, 2002 |
| 8. Weighted average cost of capital | - 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | |
|---|---|
| 1. Utility rate stabilization plan adjustment | - 0.177 ¢ per kWh effective July 1, 2001 |
| 2. Island industrial rate stabilization plan adjustment | - 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Hydraulic Production

May 2003

MONTH	Cost of Service Production (GWh)	Actual Production (GWh)	Monthly Variance (GWh)	Cumulative Variance (GWh)		Cost of Service (GWh)	Actual (GWh)	Variance (GWh)	Holyrood Generating Station \$	Other Generation \$	Amount \$
					Hydro Production Plant						
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	196.37	212.56				
February	405.21	385.96	(19.25)	(70.80)	Hinds Lake	24.84	40.43				
March	399.21	410.37	11.16	(59.64)	Upper Salmon	42.57	33.15				
April	366.43	311.57	(54.86)	(114.50)	Cat Arm	79.36	64.33				
May	348.04	355.10	7.06	(107.44)	Paradise River	4.08	3.68				
June	337.18				Mini Hydro	0.82	0.95				
July	410.65				TOTAL	348.04	355.10	7.06			
August	381.06										
September	307.54										
October	302.08										
November	301.90				Holyrood Generating Station						
December	436.40				(7.06)/0.000615 x \$25.36				(291,124.55)		
TOTAL	4,425.00										

Total

(291,124.55)
 (To Page 12)

1. Hydraulic Production Variations: Actual production in May 2003 was 355.10 GWh compared with the Cost of Service Study of 348.04 GWh, an increase of 7.06 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$291,000 representing an amount owed to Customers by Hydro based on the \$25.36 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2003

RATE STABILIZATION PLAN

Load Variations

MONTH	Firm Energy Sales				Firmed Up Secondary Energy Sales			
	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)
January	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34	622.51	29.17	51.79	0.00	0.01	0.01	0.01
March	594.59	659.11	64.52	116.31	0.00	0.01	0.01	0.02
April	496.19	489.54	(6.65)	109.66	0.00	0.00	0.00	0.02
May	443.89	433.77	(10.12)	99.54	0.00	0.03	0.03	0.05
June	389.39				0.00			
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	5,873.90				0.00			

2 .

Load Variation:

- (a) **Firm Energy Sales - Actual firm energy sales for May 2003 were 433.77 GWh, 10.12 GWh less than estimated in the Cost of Service Study.**
- (b) **Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for May 2003 were 0.03 GWh more than estimated in the Cost of Service Study.**

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations - continued

May 2003

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Revenue cents per (kwh)	Component Amount \$	Fuel cents per (kwh)	Component Amount \$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	326,200,000	337,731,345	11,531,345	(4.789)	(552,236.11)		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	13,490,000	9,855,878					
	Abitibi-Price (Stephenville)	44,850,000	36,469,716					
	Comer Brook Pulp & Paper	38,606,596	32,251,139					
	North Atlantic Refining Ltd.	20,740,000	17,463,035					
		117,686,596	96,039,768	(21,646,828)	(2.388)	516,926.25		
						(To page 12)		
	Total	443,886,596	433,771,113	(10,115,483)			4.124	(417,162.52)
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	0	28,502	28,502	(0.792)	(225.74)		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 11.53 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$552,000.
- (b) Island Industrial - Actual sales were 21.65 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$517,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for May 2003 were 0.03 GWh more than the Cost of Service Study and had a negligible effect on the Plan.

Fuel Component:

Total actual firm energy sales were 10.12 GWh less than the Cost of Service and when multiplied by the thermal generation energy rate of 4.124 ¢ per kWh results in a savings to the Plan of \$417,000.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2003

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64	44.44	19.80	396,790	426,264	29,474	103,176
March	24.80	43.56	18.76	402,621	444,953	42,332	145,508
April	25.12	41.95	16.83	283,106	301,685	18,579	164,087
May	25.36	31.76	6.40	219,174	175,187	(43,987)	120,100
June	25.36			140,085			
July	25.36			0			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	<u>25.47</u>			<u>3,173,825</u>			

3. Fuel Cost Variations: Actual fuel consumption in May 2003 was 175,187 barrels at the Holyrood Generating Station. This was 43,987 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 \$31.76 per barrel, was \$6.40 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
Fuel Cost Variation - continued

May 2003

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
May 1, 2003 - May 10, 2003	87,227	32.4838	2,833,464.42
May 11, 2003 - May 31, 2003	<u>90,350</u>	<u>31.0591</u>	<u>2,806,189.69</u>
	177,577	31.7589	5,639,654.11
Less: Non-Firm Fuel	<u>(2,390)</u>	<u>31.7589</u>	<u>(75,903.82)</u>
	<u>175,187</u>	<u>31.7589</u>	<u>5,563,750.29</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	25.36	31.76	6.40	X	175,187	<u>1,121,196.80</u>
						(To Page 12)

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 \$31.76 per barrel compared with the Cost of Service estimate of \$25.36 per barrel. The difference \$6.40 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 175,187 barrels in the month results in \$1,121,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO May 2003

RATE STABILIZATION PLAN

Summary of Variations
(in thousands of dollars)

HYDRAULIC															RURAL	
PRODUCTION VARIATIONS			LOAD VARIATIONS								FUEL COST VARIATIONS		RATE ALTERATION*			
			UTILITY		ISLAND INDUSTRIAL		FUEL		SECONDARY							
TOTAL			TOTAL		TOTAL		TOTAL		TOTAL		NO. 6	TOTAL	RURAL	TOTAL	TOTAL TO ⁽¹⁾	
TO			REVENUE		TO		FUEL		TO		ENERGY	TO	CHANGE	TO	DATE DUE	
MONTH	PROD	DATE	COMPONENT	DATE	COMPONENT	DATE	COMPONENT	DATE	SALES	DATE	COST	DATE	ADJUST	DATE	FROM (TO)	
															CUSTOMERS	
January	2,021	2,021	(1,248)	(1,248)	82	82	887	887	0	0	7,962	7,962	0	0	9,704	
February	771	2,792	(1,485)	(2,743)	49	131	1,169	2,056	0	0	8,440	16,402	0	0	18,638	
March	(450)	2,342	(3,215)	(5,958)	62	193	2,802	4,658	0	0	8,347	24,749	0	0	25,984	
April	2,241	4,583	(1,634)	(7,592)	974	1,167	(272)	4,386	0	0	5,077	29,826	0	0	32,370	
May	(291)	4,292	(552)	(8,144)	517	1,684	(417)	3,969	0	0	1,121	30,947	0	0	32,748	
June																
July																
August																
September																
October																
November																
December																

(1) 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.

Summary of Variations: For May 2003, hydraulic production was up 7.06 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$291,000. Utility energy sales were 11.53 GWh more than the Cost of Service Study representing \$552,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 21.65 GWh less than the Cost of Service Study representing \$517,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were up 0.03 GWh from the Cost of Service Study which had a negligible effect on the Plan. The fuel component of the load variation resulted in an amount owing to Customers by Hydro of \$417,000. Fuel consumed was 175,187 barrels at an average cost of \$6.40 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$1,121,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the charge to the Plan for May 2003 excluding financing charges, was an amount owing to Hydro by Customers of \$378,000.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2003

RATE STABILIZATION PLAN

RSP Activity Allocation
May, 2003

Year-to-Date Hydraulic Variation (Page 12)	4,291,812
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	30,948,002
Year-to-Date Fuel Component of Load Variation (Page 12)	3,969,304
Year-to-Date Rural Rate Alteration (Page 12)	-
Year-to-Date Total to be Allocated	<u>39,209,118</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial	Rural		Labrador
	(kWh)	Customers	Island	Total	Interconnected
	(kWh)	(kWh)	Customers	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	515,317,439	107,203,115	39,664,955	662,185,509	
March	541,043,151	118,074,952	41,334,314	700,452,417	
April	413,418,989	76,122,539	34,840,752	524,382,280	
May	337,759,847	96,039,768	32,266,382	466,065,997	
June	282,742,965	102,654,823	30,136,681	415,534,469	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,693,365,535</u>	<u>1,298,893,641</u>	<u>408,188,127</u>	<u>6,400,447,303</u>	
Percent of Total	73.33%	20.29%	6.38%		
Allocation of Year-to-date RSP Activity	28,751,541	7,957,018	2,500,559	39,209,118	
Reallocation of Rural Portion	2,177,737		(2,500,559)		322,822
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(8,144,317)</u>	<u>1,683,677</u>			
Year-to-Date RSP Activity (Page 16)	<u>22,784,961</u>	<u>9,640,695</u>	<u>0</u>		<u>322,822</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, June - December are 2002 sales and January - May are 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

May 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward			15,802			4,694			20,496
January	7,244	91	23,137	2,371	27	7,092	9,733	20,496	30,229
February	6,630	134	29,901	2,219	41	9,352	18,757	20,496	39,253
March	4,993	173	35,067	2,268	54	11,674	26,245	20,496	46,741
April	4,107	203	39,377	2,220	67	13,961	32,842	20,496	53,338
May	(189)	227	39,415	563	81	14,605	33,524	20,496	54,020
June									
July									
August									
September									
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of May 2003, the amount owing to Hydro by the Utility customer was \$39,415,000 and the amount owing to Hydro by the Island Industrial customers was \$14,605,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

May 2003

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February	515,317,439	(912)	437	75,238	107,203,115	(453)	160	27,404
March	541,043,151	(958)	435	74,715	118,074,952	(499)	158	27,063
April	413,418,989	(732)	432	74,415	76,122,539	(322)	156	26,897
May	337,759,847	(598)	430	74,247	96,039,768	(406)	155	26,646
June								
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.

**NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT**

June 2003

RATE STABILIZATION PLAN REPORT

The Cost of Service Study approved by Board Order P.U. 21 (2002 - 2003) is based on projections of events and costs that are forecast to happen during a test year. Variations between actual results and the Cost of Service estimates are reflected in the Rate Stabilization Plan which was established for that purpose.

Summary of Key Facts Used:

Current Plan:

- | | | | |
|----|---|---|--|
| 1. | Normal annual hydraulic production assumed in the Cost of Service Study | - | 4,425.00 GWh |
| 2. | Cost of Service No. 6 fuel price | - | \$25.36 per barrel |
| 3. | Holyrood average annual operating efficiency | - | 615 kWh per barrel |
| 4. | Holyrood rate based on \$25.36 per barrel | - | 4.124 ¢ per kWh |
| 5. | Utility energy rate | - | 4.789 ¢ per kWh effective September 1, 2002 |
| 6. | Island industrial energy rate | - | 2.388 ¢ per kWh effective September 1, 2002 |
| 7. | Firming up charge | - | 0.792 ¢ per kWh effective September 1, 2002 |
| 8. | Weighted average cost of capital | - | 7.157% per annum effective September 1, 2002 |

Plan Balance August 31, 2002:

- | | | | |
|----|--|---|---|
| 1. | Utility rate stabilization plan adjustment | - | 0.177 ¢ per kWh effective July 1, 2001 |
| 2. | Island industrial rate stabilization plan adjustment | - | 0.423 ¢ per kWh effective January 1, 2003 |

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

Hydraulic Production

MONTH	<u>Production</u> (GWh)	<u>Production</u> (GWh)	<u>Variance</u> (GWh)	<u>Variance</u> (GWh)		<u>Service</u> (GWh)	<u>Actual</u> (GWh)	<u>Variance</u> (GWh)	<u>Station</u> \$	<u>Generation</u> \$	<u>Amount</u> \$
					Hydro <u>Production Plant</u>						
January	429.30	377.75	(51.55)	(51.55)	Bay D'Espoir	192.70	184.43				
February	405.21	385.96	(19.25)	(70.80)	Hinds Lake	23.81	38.79				
March	399.21	410.37	11.16	(59.64)	Upper Salmon	41.78	40.97				
April	366.43	311.57	(54.86)	(114.50)	Cat Arm	76.06	87.27				
May	348.04	355.10	7.06	(107.44)	Paradise River	2.11	1.25				
June	337.18	360.68	23.50	(83.94)	Granite canal	0.00	7.43				
July	410.65				Mini Hydro	0.72	0.54				
August	381.06				TOTAL	<u>337.18</u>	<u>360.68</u>	23.50			
September	307.54										
October	302.08										
November	301.90										
December	436.40				Holyrood Generating Station						
TOTAL	<u>4,425.00</u>				(23.50)/0.000615 x \$25.36				(969,040.65)		

Total

(969,040.65)

(To Page 12)

1. Hydraulic Production Variations: Actual production in June 2003 was 360.68 GWh compared with the Cost of Service Study of 337.18 GWh, an increase of 23.50 GWh. This increase in hydraulic production resulted in a savings to the Plan of \$969,000 representing an amount owed to Customers by Hydro based on the \$25.36 per barrel cost which was estimated in the Cost of Service Study.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
Load Variations

June 2003

MONTH	Firm Energy Sales				Firmed Up Secondary Energy Sales			
	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance	Cost of Service Sales	Actual Sales	Monthly Variance	Cumulative Variance
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)
January	641.53	664.15	22.62	22.62	0.00	0.00	0.00	0.00
February	593.34	622.51	29.17	51.79	0.00	0.01	0.01	0.01
March	594.59	659.11	64.52	116.31	0.00	0.01	0.01	0.02
April	496.19	489.54	(6.65)	109.66	0.00	0.00	0.00	0.02
May	443.89	433.77	(10.12)	99.54	0.00	0.03	0.03	0.05
June	389.39	383.91	(5.48)	94.06	0.00	0.00	0.00	0.05
July	380.50				0.00			
August	374.95				0.00			
September	363.65				0.00			
October	444.28				0.00			
November	498.80				0.00			
December	652.79				0.00			
TOTAL	<u>5,873.90</u>				<u>0.00</u>			

2 .

Load Variation:

- (a) **Firm Energy Sales - Actual firm energy sales for June 2003 were 383.91 GWh, 5.48 GWh less than estimated in the Cost of Service Study.**
- (b) **Firmed Up Secondary Energy Sales - Actual firmed up secondary energy sales for June 2003 were negligible.**

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

Load Variations - continued

<u>Load Variation Elements</u>		Cost of Service (kwh)	Actual (kwh)	Variance (kwh)	Revenue cents per (kwh)	Component Amount \$	Fuel cents per (kwh)	Component Amount \$
(a)	Utility Firm Energy sales							
	Newfoundland Light and Power	275,500,000	275,771,841	271,841	(4.789)	(13,018.47)		
						(To page 12)		
(b)	Large Industrial Firm Energy Sales							
	Abitibi-Price (Grand Falls)	10,470,000	9,687,263					
	Abitibi-Price (Stephenville)	46,350,000	46,110,391					
	Corner Brook Pulp & Paper	37,344,681	34,659,314					
	North Atlantic Refining Ltd.	19,730,000	17,684,747					
		113,894,681	108,141,715	(5,752,966)	(2.388)	137,380.83		
						(To page 12)		
	Total	389,394,681	383,913,556	(5,481,125)			4.124	(226,041.60)
								(To page 12)
(c)	Firmed up Secondary Energy Sales							
	Newfoundland Power	0	2,079	2,079	(0.792)	(16.47)		
						(To page 12)		

The impact on the Plan from the Load Variation elements comes from two components.

Revenue Component:

- (a) Utility Firm Sales - Actual sales were 0.27 GWh more than the Cost of Service Study and when multiplied by the firm energy rate of 4.789 ¢ per kWh results in a savings to the Plan of \$13,000.
- (b) Island Industrial - Actual sales were 5.75 GWh less than the Cost of Service Study and when multiplied by the firm energy rate of 2.388 ¢ per kWh results in a charge to the Plan of \$137,000.
- (c) Firmed up Secondary Energy Sales - Actual secondary energy sales for June 2003 were negligible.

Fuel Component:

Total actual firm energy sales were 5.48 GWh less than the Cost of Service and when multiplied by the thermal generation energy rate of 4.124 ¢ per kWh results in a savings to the Plan of \$226,000.

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

Fuel Cost Variation

MONTH	FUEL COST			FUEL CONSUMPTION			
	Cost of Service Fuel Cost (\$)	Actual Fuel Cost (\$)	Monthly Variance (\$)	Cost of Service Barrels (Qty.)	Actual Barrels (Qty.)	Monthly Variance (Qty.)	Cumulative Variance (Qty.)
January	24.11	39.63	15.52	439,320	513,022	73,702	73,702
February	24.64	44.44	19.80	396,790	426,264	29,474	103,176
March	24.80	43.56	18.76	402,621	444,953	42,332	145,508
April	25.12	41.95	16.83	283,106	301,685	18,579	164,087
May	25.36	31.76	6.40	219,174	175,187	(43,987)	120,100
June	25.36	30.77	5.41	140,085	71,316	(68,769)	51,331
July	25.36			0			
August	25.36			35,792			
September	25.94			138,651			
October	26.27			289,535			
November	26.47			389,675			
December	26.80			439,076			
TOTAL	25.47			3,173,825			

3. Fuel Cost Variations: Actual fuel consumption in June 2003 was 71,316 barrels at the Holyrood Generating Station. This was 68,769 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 \$30.77 per barrel, was \$5.41 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
Fuel Cost Variation - continued

June 2003

Consumption Schedule

	<u>Barrels</u> (Qty)	<u>Average</u> <u>Price</u> \$	<u>Amount</u> \$
Period:			
June 1, 2003 - June 30, 2003	71,333	30.7669	2,194,695.28
	71,333	30.7669	2,194,695.28
Less: Non-Firm Fuel	(17)	30.7669	(523.04)
	<u>71,316</u>	30.7669	<u>2,194,172.24</u>

Fuel Cost Variation Provision

Fuel Cost Per Barrel

	<u>Cost of</u> <u>Service</u> \$	<u>Actual</u> \$	<u>Variance</u> \$		<u>Actual Barrels</u> <u>of Fuel Used</u> (Qty.)	<u>Amount</u> \$
(a) Holyrood Generating Station	25.36	30.77	5.41	X	71,316	<u>385,819.56</u>
						(To Page 12)

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 \$30.77 per barrel compared with the Cost of Service estimate of \$25.36 per barrel. The difference \$5.41 per barrel, multiplied by the number of barrels consumed by the Holyrood Generating Station of 71,316 barrels in the month results in \$386,000 owed by Customers to Hydro for the month.

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

Summary of Variations
(in thousands of dollars)

[illegible]

(1) 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.

Summary of Variations: For June 2003, hydraulic production was up 23.50 GWh from the Cost of Service Study which resulted in Hydro owing Customers \$969,000. Utility energy sales were 0.27 GWh more than the Cost of Service Study representing \$13,000 due to the utility customers from the revenue component of the load variation. Island industrial energy sales were 5.75 GWh less than the Cost of Service Study representing \$137,000 due from industrial customers from the revenue component of the load variation. Firmed up secondary energy sales were negligible for the month. The fuel component of the load variation resulted in an amount owing to Customers by Hydro of \$226,000. Fuel consumed was 71,316 barrels at an average cost of \$5.41 per barrel more than that used in the Cost of Service, resulting in the fuel cost variation being a charge to customers of \$386,000. The rural rate alteration was nil for the month.

Netting all of the adjustments, the savings to the Plan for June 2003 excluding financing charges, was an amount owing to Customers by Hydro of \$685,000.

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

RSP Activity Allocation

June, 2003

Year-to-Date Hydraulic Variation (Page 12)	3,322,771
Year-to-Date No. 6 Fuel Cost Variation (Page 12)	31,333,822
Year-to-Date Fuel Component of Load Variation (Page 12)	3,743,263
Year-to-Date Rural Rate Alteration (Page 12)	-
Year-to-Date Total to be Allocated	<u>38,399,856</u>

Firmed and Firmed up Secondary Energy Sales:

	Utility	Industrial	Rural		Labrador
	(kWh)	Customers	Island	Total	Interconnected
	(kWh)	(kWh)	Customers	(kWh)	
January	548,663,002	115,488,427	41,685,969	705,837,398	
February	515,317,439	107,203,115	39,664,955	662,185,509	
March	541,043,151	118,074,952	41,334,314	700,452,417	
April	413,418,989	76,122,539	34,840,752	524,382,280	
May	337,759,847	96,039,768	32,266,382	466,065,997	
June	275,773,920	108,141,715	28,142,382	412,058,017	
July	249,340,443	123,453,964	27,749,974	400,544,381	
August	260,338,621	105,783,364	25,289,778	391,411,763	
September	272,199,934	108,667,298	27,469,163	408,336,395	
October	351,476,306	123,446,221	31,666,104	506,588,631	
November	412,851,771	110,132,034	35,327,624	558,311,429	
December	508,213,067	111,827,136	40,756,431	660,796,634	
Twelve Months to Date	<u>4,686,396,490</u>	<u>1,304,380,533</u>	<u>406,193,828</u>	<u>6,396,970,851</u>	
Percent of Total	73.26%	20.39%	6.35%		
Allocation of Year-to-date RSP Activity	28,131,588	7,829,960	2,438,308	38,399,856	
Reallocation of Rural Portion	2,123,522		(2,438,308)		314,786
Year-to-Date Revenue Component of Load Variation (Page 12)	<u>(8,157,352)</u>	<u>1,821,057</u>			
Year-to-Date RSP Activity (Page 16)	<u>22,097,759</u>	<u>9,651,017</u>	<u>0</u>		<u>314,786</u>

RSP fuel activity is allocated among the customer groups based on energy sales. Firm and Firmed up energy sales are twelve months to date. For the current month, July - December are 2002 sales and January - June are 2003 sales.

The rural portion of current year RSP activity is re-allocated between Utility and Labrador Interconnected customers based on the deficit allocation ratio of 87.09% and 12.91% respectively established in the 2002 test year.

NEWFOUNDLAND AND LABRADOR HYDRO

June 2003

RATE STABILIZATION PLAN

OVERALL SUMMARY
(in thousands of dollars)

MONTH	UTILITY CUSTOMER			ISLAND INDUSTRIAL CUSTOMERS			TOTAL HYDRO		
	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	ACTIVITY	FINANCING CHARGES	TOTAL TO DATE	TOTAL CURRENT PERIOD	TOTAL PRIOR PERIOD	TOTAL TO DATE
Balance Forward			15,802			4,694			20,496
January	7,244	91	23,137	2,371	27	7,092	9,733	20,496	30,229
February	6,630	134	29,901	2,219	41	9,352	18,757	20,496	39,253
March	4,993	173	35,067	2,268	54	11,674	26,245	20,496	46,741
April	4,107	203	39,377	2,220	67	13,961	32,842	20,496	53,338
May	(189)	227	39,415	563	81	14,605	33,524	20,496	54,020
June	(687)	228	38,956	10	84	14,699	33,159	20,496	53,655
July									
August									
September									
October									
November									
December									

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the breakdown of the current Rate Stabilization Plan into the amount owing from Utility and Island Industrial customers. As of the end of June 2003, the amount owing to Hydro by the Utility customer was \$38,956,000 and the amount owing to Hydro by the Island Industrial customers was \$14,699,000.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN
RATE STABILIZATION PLAN BALANCE AUGUST 31, 2002
(in thousands of dollars)

June 2003

MONTH	UTILITY CUSTOMER				ISLAND INDUSTRIAL CUSTOMERS			
	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE	SALES (kWh)	RECOVERY	FINANCING CHARGES	BALANCE
Balance Forward				76,244				28,024
January	548,663,002	(971)	440	75,713	115,488,427	(489)	162	27,697
February	515,317,439	(912)	437	75,238	107,203,115	(453)	160	27,404
March	541,043,151	(958)	435	74,715	118,074,952	(499)	158	27,063
April	413,418,989	(732)	432	74,415	76,122,539	(322)	156	26,897
May	337,759,847	(598)	430	74,247	96,039,768	(406)	155	26,646
June	275,773,920	(488)	429	74,188	108,141,715	(457)	154	26,343
July								
August								
September								
October								
November								
December								

Financing charges calculated using Hydro's weighted average cost of capital at 7.157% effective September, 2002.

The table opposite shows the amount owing from Utility and Island Industrial customers related to the Rate Stabilization Plan balance including financing charges that was outstanding at August 31, 2002, which will be recovered over a five-year period.

The utility recovery amount was calculated by multiplying the actual utility kWh sales for the month by the recovery rate of 0.177 ¢ per kWh which will remain in effect until June 30, 2003.

The Island industrial recovery amount was calculated by multiplying the actual Island industrial kWh sales for the month by the recovery rate of 0.423 ¢ per kWh which will remain in effect until December 31, 2003.