

Perry and Henderson

(Re: Table 5, page 15)

Q. Please restate Table 5 to show contribution to margin after the effects of the existing RSP load variation. Please recalculate substituting 3.760 in the column “Energy-Only Wholesale Rate”. This rate approximates the effective rate after the consideration of the RSP Load Variation and is reflective of the percentage of fuel costs paid by Newfoundland Power, calculated as follows:

$$4.70 \times 80\% = 3.760$$

A. As described in Newfoundland Power’s response to Request for Information NLH-64 NP, the existing RSP load variation does not affect Newfoundland Power’s purchase power expense or its revenue, and as such does not impact the Company’s contribution margin. Restatement of Table 5 is not appropriate under these circumstances.