

1 Q. Please provide a table comparing the average cost of fuel (total cost of  
2 fuel/total energy sales) to the RSP adder calculated according to today's  
3 methodology. Results should be shown for each of the past 10 years in  
4 cents/kWh.

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7 A. Please see attached. In order to prepare this analysis in the required  
8 timeframe, only illustrative results are provided. The following assumptions  
9 were made:

10 a) Fuel prices and customer allocation ratios already filed with the Board  
11 were used for Newfoundland Power's fuel rider estimate for 2005 and  
12 the Industrial Customers' fuel rider estimate for 2004 and 2005;

13 b) December 31 sales were used for all allocations among the customer  
14 groups and to calculate rates for years other than 2005, rather than  
15 year to date numbers for March or September;

16 c) The forecast fuel oil prices used were the spring or fall forecasts of the  
17 PIRA Energy group and relevant exchange rates, but may not be the  
18 exact dates and times specified in the RSP regulations;

19 d) Forecast fuel prices are not readily available for 1998 and prior years.

Summary									
Line No		1999	2000	2001	2002	2003	2004	2005	
1	Total Cost of Fuel	28,969,597	49,252,197	98,459,041	112,533,899	114,800,504	80,845,316	80,305,082	
2	Total Energy Sales	5,626,650,768	5,899,713,252	6,017,679,950	6,332,776,681	6,338,106,541	6,536,333,404	6,281,778,517	Line 27
3	Average Cost of Fuel (cents per kWh)	0.51	0.83	1.64	1.78	1.81	1.24	1.28	Line 1/Line 2 x 100
<b>Estimated Fuel Rider</b>									
4	Newfoundland Power (cents per kWh)	0.56	0.89	1.09	0.12	0.31	0.13	0.43	Line 14
5	Industrial Customers (cents per kWh)		0.69	0.94	0.86	0.38	0.13	0.20	Line 23
<b>Detailed Calculations</b>									
<b>Newfoundland Power Fuel Rider</b>									
		1999	2000	2001	2002	2003	2004	2005	2005 - filed data
		(1992 test year)	(1992 test year)	(1992 test year)	(2002 test year)	(2002 test year)	(2004 test year)	(2004 test year)	
6	Fuel Price Projection	23.05	29.00	33.25	28.30	32.00	30.50	36.85	
7	Test Year Fuel Price	12.50	12.50	12.50	25.90	25.90	27.65	27.65	
8	Forecast Fuel Price Variance	10.55	16.50	20.75	2.40	6.10	2.85	9.20	Line 6 - Line 7
9	Test Year No. 6 Barrels Consumed	3,043,686	3,043,686	3,043,686	3,173,825	3,173,825	2,826,365	2,826,365	
10	Forecast Fuel Variance	32,110,887	50,220,819	63,156,485	7,617,180	19,360,333	8,055,140	26,002,558	Line 8 x Line 9
11	Utility Customer Allocation Ratio	72.58%	72.26%	73.50%	72.46%	73.22%	72.04%	77.59%	Line 28
12	Utility Customer Allocation	23,305,917	36,290,479	46,422,768	5,519,420	14,175,773	5,802,847	20,176,336	Line 10 x Line 11
13	Prior Year Energy Sales	4,157,275,711	4,083,794,294	4,263,240,340	4,423,256,932	4,588,739,820	4,640,806,788	4,716,235,662	Line 24
14	Estimated Fuel Rider (cents per kWh)	0.56	0.89	1.09	0.12	0.31	0.13	0.43	Line 12/Line 13 x 100
<b>Industrial Customer Fuel Rider</b>									
		1999	2000	2001	2002	2003	2004	2005	2004 and 2005 - filed data
		(1992 test year)	(1992 test year)	(1992 test year)	(2002 test year)	(2002 test year)	(2004 test year)	(2004 test year)	
15	Fuel Price Projection	25.20	30.70	29.60	33.40	28.40	32.15	41.00	
16	Test Year Fuel Price	12.50	12.50	12.50	25.90	25.90	27.65	27.65	
17	Forecast Fuel Price Variance	12.70	18.20	17.10	7.50	2.50	4.50	13.35	Line 15 - Line 16
18	Test Year No. 6 Barrels Consumed	3,043,686	3,043,686	3,043,686	3,173,825	3,173,825	2,826,365	2,826,365	
19	Forecast Fuel Variance	38,654,812	55,395,085	52,047,031	23,803,688	7,934,563	12,718,643	37,731,973	Line 17 x Line 18
20	Industrial Customer Allocation Ratio	20.84%	21.15%	20.23%	21.17%	20.51%	22.04%	20.97%	Line 29
21	Industrial Customer Allocation	8,053,895	11,715,384	10,526,821	5,039,181	1,627,276	2,803,189	7,912,395	Line 19 x Line 20
22	Current Year Energy Sales	1,172,336,667	1,247,717,321	1,217,111,539	1,340,632,892	1,299,863,759	1,432,581,251	1,236,901,333	Line 25
23	Estimated Fuel Rider (cents per kWh)	0.69	0.94	0.86	0.38	0.13	0.20	0.64	Line 21/Line 22 x 100
<b>Firm Sales (kWh)</b>									
		1998	1999	2000	2001	2002	2003	2004	2005
24	Newfoundland Power	4,157,275,711	4,083,794,294	4,263,240,340	4,423,256,932	4,588,739,820	4,640,806,788	4,708,712,512	4,664,093,036
25	Industrial Customers	966,017,604	1,172,336,667	1,247,717,321	1,217,111,539	1,340,632,892	1,299,863,759	1,432,581,251	1,236,901,333
26	Hydro Rural	361,316,234	370,519,807	388,755,591	377,311,479	403,403,969	397,435,994	395,039,641	380,784,148
27	Total	5,484,609,549	5,626,650,768	5,899,713,252	6,017,679,950	6,332,776,681	6,338,106,541	6,536,333,404	6,281,778,517
<b>Allocation Ratios</b>									
28	Newfoundland Power	75.80%	72.58%	72.26%	73.50%	72.46%	73.22%	72.04%	Filed ratios used
29	Industrial Customers	17.61%	20.84%	21.15%	20.23%	21.17%	20.51%	21.92%	
30	Hydro Rural	6.59%	6.59%	6.59%	6.27%	6.37%	6.27%	6.04%	
31	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	