

1    **Q.**    By correspondence to the Board dated April 12, 2006, in connection  
2           with the Rate Stabilization Plan - Fuel Price Projection, NLH advised the  
3           Board that NLH had assumed the use of 1% sulphur fuel for the  
4           purposes of calculating the RSP Rate to be applied to Newfoundland  
5           Power's rates, effective July 1, 2006. Please calculate the RSP Rate to  
6           be applied to Newfoundland Power's rates, effective July 1, 2006  
7           assuming the use of 2% sulphur fuel.

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10   **A.**    The RSP Rate to be applied to Newfoundland Power's rates, effective July 1,  
11           2006 assuming the use of 2% sulphur fuel would be 16.16 mills/kWh, as  
12           detailed in the following table.

<b>Newfoundland Power</b>	<b>1% sulphur July 2006 RSP Rate (mills/kW.h)</b>	<b>2% sulphur July 2006 RSP Rate (mills/kW.h)</b>
Historical RSP - December 31 <sup>st</sup> Balance	7.07	7.07
March 31 <sup>st</sup> Balance	(0.26)	(0.29)
Fuel Rider	10.01	9.38
<b>Total RSP Rate</b>	<b>16.82</b>	<b>16.16</b>