

IC 4 NLH
Application for Approval of Recovery of Costs
of 1% Sulphur Fuel through the RSP

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1 Q. Provide the detailed calculations for the percentage increases in rates to
2 customers referred to in:

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4 (a) Paragraph 14 of the Application;

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6 (b) Page 3 of 3 of the response to CA9-NLH;

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8 (c) Page 1 of 1 of the response to CA3-NLH.

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11 A. Calculations for estimated rate increases are shown in the following table:

ESTIMATED RATE INCREASES						
	Application	CA - 9				CA - 3
1 Sulphur content	1%	1.75%	1.5%	1.25%	1%	0.5%
2 Production barrels (000)	2,658					2,658
3 Price difference per barrel (\$)	3					6
4 Incremental fuel cost (\$000)	7,974	883	2,722	4,575	6,646	15,948
5 Newfoundland Power:						
6 Share of incremental costs	85%	85%	85%	85%	85%	85%
7 Share of incremental costs (\$M) (L. 4 x L. 6)	7	1	2	4	6	14
8 Rural revenue increase (\$M)	(0.6)					(1.3)
9 Net cost increase (\$M)	6	1	2	4	6	12
10 Revenues and RSP, existing rates (\$M)	361	354	354	354	354	354
11 Percentage increase to NP (L. 9 / L. 10)	1.7%	0.2%	0.7%	1.1%	1.6%	3.5%
12 End consumer share	64%	64%	64%	64%	64%	64%
13 End consumer increase (L. 11 x L.12)	1%	0.1%	0.4%	0.7%	1.0%	2.2%
14 Island Industrial:						
15 Share of incremental costs	14%	14%	14%	14%	14%	14%
16 Share of incremental costs (\$M) (L. 4 x L. 15)	1	0.1	0.4	0.6	0.9	2.2
17 Revenues and RSP, existing rates (\$M)	48	47	47	47	47	47
18 Percentage increase (L. 16 / L. 17)	2.3%	0.3%	0.8%	1.4%	2.0%	4.8%