

1 Q. In response to PUB-NLH-007, Hydro confirmed that they are not proposing to allocate 25% of
2 the balance in the RSP Hydraulic Production Variation component to the Newfoundland Power
3 and Industrial Customer RSP Current Plan balance prior to transferring the total component
4 balance to the Holyrood TGS fuel costs component of the proposed Supply Cost Variance
5 Deferral Account. Please provide the implications and impact on the RSP rates if the 25%
6 allocation was included in the RSP Current Plan balances prior to transferring the balance to the
7 proposed Supply Cost Variance Deferral Account.

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10 A. If the 25% allocation was included in the RSP¹ Current Plan balances prior to transferring the
11 balance to the proposed Supply Cost Variance Deferral Account, the RSP Current Plan balances
12 would increase by approximately \$16.2 million for Newfoundland Power Inc. (“Newfoundland
13 Power”)² and \$1.4 million for Island Industrial customers.³

14 The additional transfer to the Current Plan balances would increase the forecast RSP Current
15 Plan recovery rider for Island Industrial customers from 0.783¢/kWh to 1.072¢/kWh effective
16 January 1, 2022 and Newfoundland Power from (0.487)¢/kWh to (0.176)¢/kWh effective July 1,
17 2022.

¹ Rate Stabilization Plan (“RSP”).

² \$16.2 million is approximately 3.1% of the 2019 Test Year revenue requirement allocated to Newfoundland Power (including rural deficit) and would impact retail rates by approximately 2.1%.

³ \$1.4 million is approximately 3.1% of the 2019 Test Year revenue requirement for Island Industrial customers.