Q. Please calculate an Industrial RSP adjustment factor using the fuel rider calculated based on the fuel forecast used to establish the fuel rider in the RSP rate for Newfoundland Power and a recovery factor based on the June 30th RSP balance in the Industrial RSP excluding the cumulative portion related to the Industrial RSP load variation component.

A. Please find attached the calculation for an Industrial RSP Adjustment factor using the fuel rider calculated based on the fuel forecast used to establish the fuel rider in the RSP rate for Newfoundland Power and a recovery factor based on the June 30th RSP balance in the Industrial RSP excluding the cumulative portion related to the Industrial RSP load variation component.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN ESTIMATED FUEL PRICE PROJECTION RIDER
Industrial Customers

June, 2009

Line No	Customer Allocation	Amount	Comments
1	March Fuel Price Projection	$ 75.95	NP Fuel Price Projection
2	2007 Test Year Fuel Forecast Price	$ 55.40	
3	Forecast Fuel Price Variance	$ 20.55	Line 1 - Line 2
4	2007 Test Year No. 6 Barrels Consumed	1,878,188	Line 27
5	Forecast Fuel Variance	$ 38,596,763	Line 3 x Line 4
6	Industrial Customer Allocation Ratio for June	8.55%	From Line 9
7	Industrial Customer Allocation June	$ 3,300,023	Line 5 x Line 6

	Calculation of Customer Allocation		kWh	Percent of Total	Allocation of Rural	Total
8	12 months to date (Jul 2008 - Jun 2009) Utility Sales		4,973,908,918	84.49%	6.20%	90.69%
9	12 months to date (Jul 2008 - Jun 2009) Industrial Customer Sales	562,003,055		8.55%	0.00%	8.55%
10	Less: Forecast reduction in AB GF load for 2009 [1]	(58,404,800)				
11	Revised 12 months to date (Jul 2008 - Jun 2009) Industrial Customer Sales		503,598,255			
12	12 months to date (Jul 2008 - Jun 2009)Bulk Rural Energy		409,782,881	6.96%	-6.96%	0.00%
13	Total		5,887,290,054			

	Estimate of Industrial Fuel Price Projection Rider	Amount	Comments
	Rate Rider		
14	Industrial Allocation September	$ 3,300,023	From Line 7
15	12 months to date Industrial Sales (kWh)	503,598,255	From Line 11
16	Estimated Fuel Price Projection Rider (mills per kWh) [2]	6.55	Line 14/Line 15

[1] Effective February 12 , 2009, AB GFclosed. This has resulted in a forecast reduction of 58,404,800 kWh in AB GF load for 2009.

[2] The Industrial allocation of $3,300,023 is established as calculated above. However, the actual fuel price projection rider will be calculated based on 12 month-to-date Industrial sales as of December, 2009.

	2007 Test Year Barrels Adjusted for Reduction in Corner Brook Pulp and Paper Limited (CBPP) and Abitibi Consolidated (Grand Falls) Load		
17	2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood		2,467,396
	Less: Reduction in Test Year Barrels of No. 6		
18	Fuel approved in Board Order No. P.U. 11		
	(2008) to reflect reduction in CBPP load.		(323,336)
19	Adjusted 2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood		2,144,060
	Less: Reduction in Abitibi Consolidated		
20	(Grand Falls) Test Year load[2].	131,400,000	
	Less: Reduction in Abitibi Consolidated		
21	(Grand Falls) Test Year compensation[2].	31,000,000	
22	Subtotal: Load plus Compensation Reduction	162,400,000	
	2007 Test Year Transmission Loss		
23	Percentage	3.14%	
24	Abitibi GF reduced kWh	167,499,360	
25	Holyrood Operating Efficiency 2007 Test Year (kWh/bbl)	630	
26	Barrels Displaced at Holyrood due to CBPP load reduction	265,872	(265,872)
27	Adjusted 2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood		1,878,188

[1] Actual Industrial Customer sales have been adjusted to reflect a forecast reduction in Abitibi Consolidated (Grand Falls) load.

[2] Effective February 12, 2009, Abitibi Consolidated (Grand Falls) closed. Industrial load has been reduced by 131,400,000 kWhs based on Abitibi Consolidated (Grand Falls) 2007 Test Year load and 31,000,000 kWhs based on 2007 Test Year Compensation.