

- 1 Q. Should the Board decide to refund the credit balance in the Industrial Customers
 2 Rate Stabilization Plan as of June 30, 2009, what proposals does Hydro have for the
 3 allocation of this balance among the Industrial Customers?
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 6 A. Please see response to PUB-NLH-13. Forecast sales for the period July 2009 to June
 7 2010 and actual sales for the period July 2008 to June 2009, are shown below.

Industrial Customer Firm Energy Sales

Customer	July 2009 to June 2010 Forecast (GWH)	% of Total Industrial Customer Energy Sales	Allocation of June 30, 2009 Balance (\$)
Abitibi Bowater GF	0	0.0%	-
Corner Brook Pulp & Paper	165.8	32.9%	(7,729,546)
North Atlantic Refining	275.9	54.7%	(12,862,374)
Teck Resources	62.5	12.4%	(2,913,731)
Total	504.2	100.0%	(23,505,651)

Industrial Customer Firm Energy Sales

Customer	July 2008 to June 2009 Actual (GWH)	% of Total Industrial Customer Energy Sales	Allocation of June 30, 2009 Balance (\$)
Abitibi Bowater GF	51.8	9.3%	(2,193,260)
Corner Brook Pulp & Paper	217.3	39.1%	(9,194,994)
North Atlantic Refining	224.1	40.4%	(9,485,895)
Teck Resources	62.2	11.2%	(2,631,502)
Total	555.4	100.0%	(23,505,651)

1 While Hydro has provided two possible allocation methods in response to this question,
2 Hydro considers that its conclusion with respect to the load variation component of the
3 RSP, which was outlined in its 2006 report "Review of the Operation of the Rate
4 Stabilization Plan", is a more fair method of allocation of the load variation.
5 Specifically, Hydro recommends that the net load variation should be allocated
6 between Newfoundland Power and the Industrial Customers based on energy ratios.
7 The allocation of the load variation in this manner more closely aligns with the Cost of
8 Service treatment and Hydro therefore considers this a more fair allocation method.

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10 Should the Board decide that the forecast credit balance of the RSP allocated to the
11 Industrial Customers be dealt with as of June 30, 2009, the Board may wish to consider
12 this method of allocation for the balance attributable to the load variation. Please refer
13 to the response to PUB-NLH-1 as well.