Q. For the years 2004 to 2009, provide a monthly detail of the Plan Balances, separating the amounts corresponding to Newfoundland Power, the rural retail customers and each of the Industrial Customers. Also, please provide detailed calculations showing how this breakdown is calculated. This should be fully evident from the spreadsheet formulas, supporting spreadsheets and files.

A. Please see the attached December RSP reports for each year from 2004 to 2009 for the calculations requested. Page 12 of each report has the summary for Newfoundland Power and Industrial Customers of the Current Plan balances. For the years that have balances in the Historic Plan, the summaries are on page 13 of those reports.

The amount applicable to each Industrial Customer is not calculable, as individual balances have not been assigned.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
DECEMBER 2004

RATE STABILIZATION PLAN REPORT

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order P.U. 40 (2003), is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study in effect as of July 1, 2004 is as approved by Board Order P.U. 14 (2004) and based on projections of events and costs that are forecast to happen during a test year. Board Order P.U. 21 (2002 - 2003) approved the test year Cost of Service Study in effect for January to June. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.568% per annum (7.157% January - June). Holyrood's operating efficiency is 630 kWh/barrel (615 kWh/barrel January - June).

	2002 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	429,300,000	24.11	522,600,000	118,925,796
February	405,210,000	24.64	484,100,000	109,240,851
March	399,210,000	24.80	473,900,000	120,686,596
April	366,430,000	25.12	379,300,000	116,894,681
May	348,040,000	25.36	326,200,000	117,686,596
June	337,180,000	25.36	275,500,000	113,894,681

	2004 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	418,400,000	31.85	539,000,000	116,800,000
February	426,980,000	31.00	529,200,000	109,500,000
March	420,110,000	30.28	502,300,000	116,300,000
April	366,550,000	30.28	409,900,000	111,500,000
May	336,960,000	28.66	360,000,000	104,000,000
June	354,680,000	28.66	285,400,000	113,500,000
July	406,740,000	28.66	271,200,000	116,100,000
August	401,860,000	28.66	269,100,000	116,100,000
September	336,720,000	28.66	277,500,000	107,000,000
October	313,420,000	27.99	351,900,000	103,300,000
November	394,550,000	27.75	435,600,000	114,200,000
December	405,180,000	28.00	541,600,000	106,500,000
Total	4,582,150,000		4,772,700,000	1,334,800,000

Plan Highlights

Hydraulic Production

Year-to-date hydraulic production is 182.5 GWh more than the Cost of Service production of 4,543.8 GWh resulting in a fuel savings of $7,362,037 in the hydraulic variation account. (See page 4)

No. 6 Fuel Cost

The No.6 fuel cost for the month of December was $29.94, $1.94 more than the Cost of Service. Higher fuel costs have resulted in a year-to-date amount of $12,664,904 due from Customers. (See page 5)

Customer Load

Utility sales are up 100.2 GWh year-to-date compared with the Cost of Service Sales of 4,608.5 GWh resulting in $694,727 due to the utility customer. (See page 8)

Industrial sales are up 72.1 GWh year-to-date compared with the Cost of Service Sales of 1,360.5 GWh resulting in $1,285,125 due from industrial customers. (See page 9)

Rural Rates

A net amount of $41,015 due to customers assigned to Labrador Interconnected Customers is removed from the plan and written off to Hydro's net income (loss). This year-to-date amount is calculated as follows:

Rural rate alteration (RRA)	$ (948,890)	savings
Less RRA to utility customer	(835,823)	savings (see page 10)
RRA to Labrador Interconnected	(113,067)	savings
Fuel variance to Labrador Interconnected	87,413	charge (see page 6)
Hydraulic variance allocation	(15,361)	savings (see page 4)
Net Labrador Interconnected	$ (41,015)	net savings

Plan Highlights Continued

Current Plan Summary

Balances below from utility and industrial customers are expected to be recovered in one year. In addition, at December 31, 25% of the hydraulic variance and 100% of the related financing charges was allocated between industrial and utility customers and will be recovered in one year. The balances are comprised of the following:

Utility Customer:	$ 4,909,975	due from customer
Industrial Customers:	3,724,537	due from customers
Sub-total	8,634,512	
Hydraulic Balance:	(5,521,528)	fuel savings (1)
Total Plan Balance:	$ 3,112,984	

December 2003 Plan Balance

The plan balances as at December 31, 2003 were consolidated and are being recovered over four years. Year-to-date recoveries for utility and industrial customers are $20,961,363 and $11,274,414 respectively. The balance remaining in this plan is $133,928,097 and is allocated as follows:

Utility Customer:	$ 101,659,510	due from customer
Industrial Customers:	32,268,587	due from customers
Total Plan Balance December 31, 2004:	$ 133,928,097	due from customers

(1) The amount represents the hydraulic balance after the December 31, 2004 allocation of 25% of the Hydraulic variance and 100% of the related finance charges to industrial and utility customers.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Net Hydraulic Production Variation

	A	B	C	D	E	F	G
	Cost of Service Net Hydraulic Production	Actual Net Hydraulic Production	Monthly Net Hydraulic Production Variance	Cost of Service No. 6 Fuel Cost	Net Hydraulic Production Variation	Financing Charges	Cumulative Variation and Financing Charges
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($)	($)	($)
			(A - B)		**(C / O[1] X D)**		**(E + F) (to page 12)**
Opening balance							0
January	429,300,000	486,778,226	(57,478,226)	24.11	(2,253,333)	0	(2,253,333)
February	405,210,000	424,076,718	(18,866,718)	24.64	(755,896)	(13,018)	(3,022,247)
March	399,210,000	437,557,044	(38,347,044)	24.80	(1,546,352)	(17,460)	(4,586,059)
April	366,430,000	321,813,285	44,616,715	25.12	1,822,393	(26,494)	(2,790,160)
May	348,040,000	397,795,911	(49,755,911)	25.36	(2,051,723)	(16,119)	(4,858,002)
June	337,180,000	397,031,135	(59,851,135)	25.36	(2,468,008)	(28,065)	(7,354,075)
July	406,740,000	431,853,874	(25,113,874)	28.66	(1,142,482)	(44,848)	(8,541,405)
August	401,860,000	359,314,909	42,545,091	28.66	1,935,464	(52,088)	(6,658,029)
September [3]	336,720,000	332,619,552	4,100,448	28.66	186,538	(40,603)	(6,512,094)
October [3]	313,420,000	370,535,732	(57,115,732)	27.99	(2,537,570)	(39,713)	(9,089,377)
November	394,550,000	377,718,140	16,831,860	27.75	741,403	(55,430)	(8,403,404)
December	405,180,000	389,260,606	15,919,394	28.00	707,529	(51,247)	(7,747,122)
	4,543,840,000	4,726,355,132	(182,515,132)		(7,362,037)	(385,085)	(7,747,122)
Hydraulic Allocation [2]					1,840,509	385,085	2,225,594
Hydraulic variation at year end					(5,521,528)	0	(5,521,528)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows :

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	4,708,712,512	72.0%	1,603,297	119,148	1,722,445
Industrial	1,432,581,251	21.9%	487,788		487,788
Rural	395,039,641	6.1%	134,509	(134,509)	-
Total	6,536,333,404	100.0%	2,225,594	(15,361)	2,210,233
Labrador Inteconnected (write-off to income)				15,361	15,361
				-	2,225,594

(3) The Actual Net Hydraulic Production was revised upward from original plan for September and October by 96,000 and 480,000 kWh respectively. This increase resulted in a credit to the hydraulic variance of $4,367 in September and $21,325 in October with a credit of $27 to interest in October.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

No. 6 Fuel Variation

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	331,881	4,255	327,626	24.11	30.09	5.98	1,959,203
February	377,393	7,622	369,771	24.64	30.40	5.76	2,129,881
March	383,145	23,104	360,041	24.80	30.36	5.56	2,001,828
April	315,160	17,426	297,734	25.12	30.62	5.50	1,637,537
May	123,945	2,220	121,725	25.36	31.55	6.19	753,478
June	68,266	1,610	66,656	25.36	31.55	6.19	412,601
July	0	0	0	28.66	31.55	2.89	0
August	85,117	2,614	82,503	28.66	31.55	2.89	238,434
September	133,410	207	133,203	28.66	31.85	3.19	424,918
October	155,406	777	154,629	27.99	33.87	5.88	909,219
November	257,200	514	256,686	27.75	33.49	5.74	1,473,378
December	374,895	1,479	373,416	28.00	29.94	1.94	724,427
	2,605,818	61,828	2,543,990	25.94	31.02	5.08	12,664,904

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Allocation of Fuel Variance – Year-to-Date

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 88.58%)**	**(G X 11.42%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	4,636,553,350	1,305,563,474	396,452,631	6,338,569,455	1,433,123	403,540	122,540	1,959,203	106,720	15,820
February	4,629,741,543	1,315,568,332	394,743,304	6,340,053,179	2,986,001	848,490	254,594	4,089,084	221,726	32,868
March	4,598,491,657	1,317,504,074	392,015,050	6,308,010,781	4,440,228	1,272,160	378,523	6,090,912	329,656	48,867
April	4,569,061,593	1,359,525,911	389,538,997	6,318,126,501	5,588,961	1,662,997	476,491	7,728,449	414,976	61,515
May	4,569,423,164	1,387,706,617	388,661,728	6,345,791,509	6,107,593	1,854,840	519,494	8,481,927	452,427	67,067
June	4,597,553,859	1,396,271,065	390,533,364	6,384,358,288	6,405,197	1,945,250	544,081	8,894,528	473,840	70,241
July	4,617,432,434	1,406,916,366	391,523,381	6,415,872,181	6,401,294	1,950,453	542,781	8,894,528	480,795	61,986
August	4,627,472,300	1,414,651,212	392,172,515	6,434,296,027	6,568,322	2,007,983	556,657	9,132,962	493,087	63,570
September	4,638,997,871	1,422,736,517	393,308,540	6,455,042,928	6,868,891	2,106,623	582,366	9,557,880	515,860	66,506
October	4,664,484,827	1,423,244,910	394,556,339	6,482,286,076	7,531,853	2,298,147	637,099	10,467,099	564,342	72,757
November	4,677,479,524	1,418,612,777	394,152,477	6,490,244,778	8,605,428	2,609,904	725,145	11,940,477	642,333	82,812
December	4,708,712,512	1,432,581,251	395,039,641	6,536,333,404	9,123,677	2,775,792	765,435	12,664,904	678,022	87,413

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively for the period July to December. The allocation for January to June was 87.09% and 12.91% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Allocation of Fuel Variance - Monthly

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	1,433,123	1,433,123	106,720	106,720	1,539,843	403,540	403,540
February	2,986,001	1,552,878	221,726	115,006	1,667,884	848,490	444,950
March	4,440,228	1,454,227	329,656	107,930	1,562,157	1,272,160	423,670
April	5,588,961	1,148,733	414,976	85,320	1,234,053	1,662,997	390,837
May	6,107,593	518,632	452,427	37,451	556,083	1,854,840	191,843
June	6,405,197	297,604	473,840	21,413	319,017	1,945,250	90,410
July	6,401,294	(3,903)	480,795	6,955	3,052	1,950,453	5,203
August	6,568,322	167,028	493,087	12,292	179,320	2,007,983	57,530
September	6,868,891	300,569	515,860	22,773	323,342	2,106,623	98,640
October	7,531,853	662,962	564,342	48,482	711,444	2,298,147	191,524
November	8,605,428	1,073,575	642,333	77,991	1,151,566	2,609,904	311,757
December	9,123,677	518,249	678,022	35,689	553,938	2,775,792	165,888
		9,123,677		678,022	9,801,699		2,775,792

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Load Variation - Utility

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J) (to page 10)**
January	522,600,000	543,497,560	20,897,560	24.11	0.04789	(181,532)	0	0	0.00792	0	(181,532)
February	484,100,000	508,503,738	24,403,738	24.64	0.04789	(190,958)	0	1,894	0.00792	(15)	(190,973)
March	473,900,000	509,793,265	35,893,265	24.80	0.04789	(271,525)	0	0	0.00792	0	(271,525)
April	379,300,000	383,988,925	4,688,925	25.12	0.04789	(33,031)	0	0	0.00792	0	(33,031)
May	326,200,000	338,121,418	11,921,418	25.36	0.04789	(79,328)	0	0	0.00792	0	(79,328)
June	275,500,000	303,904,615	28,404,615	25.36	0.04789	(189,011)	0	0	0.00792	0	(189,011)
July	271,200,000	284,942,138	13,742,138	28.66	0.05234	(94,105)	0	0	0.00600	0	(94,105)
August	269,100,000	276,991,451	7,891,451	28.66	0.05234	(54,040)	0	0	0.00600	0	(54,040)
September	277,500,000	291,340,889	13,840,889	28.66	0.05234	(94,782)	0	0	0.00600	0	(94,782)
October	351,900,000	340,525,270	(11,374,730)	27.99	0.05234	89,990	0	0	0.00600	0	89,990
November	435,600,000	415,680,677	(19,919,323)	27.75	0.05234	165,179	0	0	0.00600	0	165,179
December	541,600,000	511,420,672	(30,179,328)	28.00	0.05234	[2] 238,431	0	0	0.00600	0	238,431
	4,608,500,000	4,708,710,618	100,210,618			(694,712)	0	1,894		(15)	(694,727)

(1) O is the Holyrood Operating Efficiency of 615 kWh/barrel January to June and 630 kWh/barrel July to December.
(2) Actual Sales for December 2004 were increased by 57,060 kWh. This represents a billing adjustment of 4,755 kWh per month for the twelve month period December 2003 to November 2004. The load variation includes a credit of $302. This was calculated using a firm energy rate of $$0.04789/kWh for December 2003 to June 2004 and $0.05234/kWh for the July to November 2004.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Load Variation - Industrial

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh) **(B - A)**	Cost of Service No. 6 Fuel Cost ($)	Firm Energy Rate ($/kWh)	Load Variation ($) **C x {(D/O[1]) - E}** **(to page 11)**
January	118,925,796	121,188,142	2,262,346	24.11	0.02388	34,666
February	109,240,851	117,207,973	7,967,122	24.64	0.02388	128,948
March	120,686,596	120,010,694	(675,902)	24.80	0.02388	(11,115)
April	116,894,681	118,144,376	1,249,695	25.12	0.02388	21,202
May	117,686,596	124,220,474	6,533,878	25.36	0.02388	113,400
June	113,894,681	116,706,163	2,811,482	25.36	0.02388	48,795
July	116,100,000	126,827,516	10,727,516	28.66	0.02675	201,056
August	116,100,000	125,594,840	9,494,840	28.66	0.02675	177,953
September	107,000,000	117,594,831	10,594,831	28.66	0.02675	198,569
October	103,300,000	117,432,558	14,132,558	27.99	0.02675	249,843
November	114,200,000	117,307,502	3,107,502	27.75	0.02675	53,752
December	106,500,000	110,346,182	3,846,182	28.00	0.02675	68,056
	1,360,529,201	1,432,581,251	72,052,050			1,285,125

(1) O is the Holyrood Operating Efficiency of 615 kWh/barrel January to June and 630 kWh/barrel July to December.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Summary of Utility Customer

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)			
	(from page 8)	**(from page 7)**					**(to page 12)**
Opening Balance							0
January	(181,532)	1,539,843	(56,326)	1,301,985	0	0	1,301,985
February	(190,973)	1,667,884	(53,242)	1,423,669	7,522	0	2,733,176
March	(271,525)	1,562,157	(48,045)	1,242,587	15,790	0	3,991,553
April	(33,031)	1,234,053	(45,884)	1,155,138	23,059	0	5,169,750
May	(79,328)	556,083	(37,357)	439,398	29,866	0	5,639,014
June	(189,011)	319,017	(34,164)	95,842	32,577	0	5,767,433
July	(94,105)	3,052	(51,857)	(142,910)	35,172	(262,147)	5,397,548
August	(54,040)	179,320	(98,794)	26,486	32,916	(254,832)	5,202,118
September	(94,782)	323,342	(90,780)	137,780	31,724	(268,034)	5,103,588
October	89,990	711,444	(93,243)	708,191	31,123	(313,283)	5,529,619
November	165,179	1,151,566	(102,654)	1,214,091	33,721	(382,426)	6,395,005
December [3]	238,431	553,938	(123,477)	668,892	38,999	(470,476)	6,632,420
Year to date	(694,727)	9,801,699	(835,823)	8,271,149	312,469	(1,951,198)	6,632,420
Hydraulic allocation **(from page 4)**							(1,722,445)
Total	(694,727)	9,801,699	(835,823)	8,271,149	312,469	(1,951,198)	4,909,975

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively for the period July to December. The allocation for January to June was 87.09% and 12.91% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The fuel adjustment rate for Utility is 0.092 cents per kWh effective July 1, 2004.

(3) December Adjustment includes an amount for $21.87. This represents a billing adjustment of 4,755 kWh per month for the 5 month period July 2004 to November 2004. The recovery rate applicable is as outlined in note 2.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Summary of Industrial Customers

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance						0
January	34,666	403,540	438,206	0	0	438,206
February	128,948	444,950	573,898	2,532	0	1,014,636
March	(11,115)	423,670	412,555	5,862	0	1,433,053
April	21,202	390,837	412,039	8,279	0	1,853,371
May	113,400	191,843	305,243	10,707	0	2,169,321
June	48,795	90,410	139,205	12,532	0	2,321,058
July	201,056	5,203	206,259	14,155	0	2,541,472
August	177,953	57,530	235,483	15,499	0	2,792,454
September	198,569	98,640	297,209	17,029	0	3,106,692
October	249,843	191,524	441,367	18,946	0	3,567,005
November	53,752	311,757	365,509	21,753	0	3,954,267
December	68,056	165,888	233,944	24,114	0	4,212,325
Year to date	1,285,125	2,775,792	4,060,917	151,408	0	4,212,325
Hydraulic allocation **(from page 4)**						(487,788)
Total	1,285,125	2,775,792	4,060,917	151,408	0	3,724,537

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Overall Summary

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($) (A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2003	0	0	0	0
January	(2,253,333)	1,301,985	438,206	(513,142)
February	(3,022,247)	2,733,176	1,014,636	725,565
March	(4,586,059)	3,991,553	1,433,053	838,547
April	(2,790,160)	5,169,750	1,853,371	4,232,961
May	(4,858,002)	5,639,014	2,169,321	2,950,333
June	(7,354,075)	5,767,433	2,321,058	734,416
July	(8,541,405)	5,397,548	2,541,472	(602,385)
August	(6,658,029)	5,202,118	2,792,454	1,336,543
September	(6,512,094)	5,103,588	3,106,692	1,698,186
October	(9,089,377)	5,529,619	3,567,005	7,247
November	(8,403,404)	6,395,005	3,954,267	1,945,868
December	(5,521,528)	4,909,975	3,724,537	3,112,984

NEWFOUNDLAND AND LABRADOR HYDRO **December 2004**

RATE STABILIZATION PLAN

Recovery of December 2003 Balance

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date
	Recovery [1]	Financing Charges	Total To Date	Recovery [2]	Financing Charges	Total To Date	Due From (To) Customers
	($)	($)	($)	($)	($)	($)	($)
			(A + B)			(D + E)	(C + F)
Opening Balance			114,789,645.19			40,914,836.19	155,704,481.38
January	(1,760,932.09)	663,139.78	113,691,852.88	(953,750.68)	236,365.01	40,197,450.52	153,889,303.40
February	(1,647,558.25)	656,797.83	112,701,092.46	(922,426.75)	232,220.67	39,507,244.44	152,208,336.90
March	(1,651,730.18)	651,074.21	111,700,436.49	(944,484.16)	228,233.35	38,790,993.63	150,491,430.12
April	(1,244,124.12)	645,293.42	111,101,605.79	(929,796.24)	224,095.57	38,085,292.96	149,186,898.75
May	(1,095,513.39)	641,833.98	110,647,926.38	(977,615.13)	220,018.74	37,327,696.57	147,975,622.95
June	(984,650.95)	639,213.07	110,302,488.50	(918,477.50)	215,642.10	36,624,861.17	146,927,349.67
July	(1,689,706.88)	672,661.34	109,285,442.96	(998,132.55)	223,350.61	35,850,079.23	145,135,522.19
August	(1,642,559.30)	666,459.06	108,309,342.72	(988,431.39)	218,625.73	35,080,273.57	143,389,616.29
September	(1,727,651.47)	660,506.48	107,242,197.73	(925,471.32)	213,931.20	34,368,733.45	141,610,931.18
October	(2,019,314.85)	653,998.67	105,876,881.55	(924,194.23)	209,591.99	33,654,131.21	139,531,012.76
November	(2,464,986.41)	645,672.52	104,057,567.66	(923,210.04)	205,234.11	32,936,155.28	136,993,722.94
December	(3,032,635.05)	634,577.73	101,659,510.34	(868,424.45)	200,855.65	32,268,586.48	133,928,096.82
Total	(20,961,362.94)	7,831,228.09	101,659,510.34	(11,274,414.44)	2,628,164.73	32,268,586.48	133,928,096.82

(1) The recovery rate for Utility is 0.593 cents per kWh effective July 1, 2004 and was 0.324 cents per kWh effective July 1, 2003 to June 30, 2004.

(2) The recovery rate for Industrial is 0.787 cents per kWh effective January 1, 2004.

(3) December Recovery for Utility Customer includes an adjustment for $248.83. This represents a billing adjustment of 4,755 kWh per month for the 12 month period December 2003 to November 2004. The recovery rates applicable are as outlined in note 1.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
DECEMBER 2005

RATE STABILIZATION PLAN REPORT

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order P.U. 40 (2003), is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was as approved by Board Order P.U. 14 (2004) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.568% per annum. Holyrood's operating efficiency is 630 kWh/barrel.

	2004 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	418,400,000	31.85	539,000,000	116,800,000
February	426,980,000	31.00	529,200,000	109,500,000
March	420,110,000	30.28	502,300,000	116,300,000
April	366,550,000	30.28	409,900,000	111,500,000
May	336,960,000	28.66	360,000,000	104,000,000
June	354,680,000	28.66	285,400,000	113,500,000
July	406,740,000	28.66	271,200,000	116,100,000
August	401,860,000	28.66	269,100,000	116,100,000
September	336,720,000	28.66	277,500,000	107,000,000
October	313,420,000	27.99	351,900,000	103,300,000
November	394,550,000	27.75	435,600,000	114,200,000
December	405,180,000	28.00	541,600,000	106,500,000
Total	4,582,150,000		4,772,700,000	1,334,800,000

Plan Highlights

Hydraulic Production

Year-to-date hydraulic production is 187.5 GWh more than the Cost of Service production of 4,582.2 GWh resulting in a fuel savings of ($8,645,731) in the hydraulic variation account. (See page 4)

No. 6 Fuel Cost

The No.6 fuel cost for the month of December was $48.11, $20.11 more than the Cost of Service. Higher fuel costs have resulted in a year-to-date amount of $16,289,106 due from Customers. (See page 5)

Customer Load

Utility sales are down 108.9 GWh year-to-date compared with the Cost of Service Sales of 4,772.7 GWh resulting in $301,200 due from the utility customer. (See page 8)

Industrial sales are down 97.9 GWh year-to-date compared with the Cost of Service Sales of 1,236.9 GWh resulting in $1,732,013 due to industrial customers. (See page 9)

Rural Rates

A net amount of $182,739 due to customers assigned to Labrador Interconnected Customers is removed from the plan and written off to Hydro's net income (loss). This year-to-date amount is calculated as follows:

Rural rate alteration (RRA)	$(2,329,220)	savings [(1)]
Less RRA to utility customer	(2,063,223)	savings (see page 10)
RRA to Labrador Interconnected	(265,997)	savings
Fuel variance to Labrador Interconnected	112,761	charge (see page 6)
Hydraulic variance allocation	(29,503)	
Net Labrador Interconnected	$ (182,739)	net savings

(1) Beginning January 2005, the RRA includes a monthly amount of $22,120. This amount relates to the five-year phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations P.U. 40 (2003).

Plan Highlights Continued

Current Plan Summary

Balances below from utility and industrial customers are expected to be recovered in one year. In addition, at December 31, 25% of the hydraulic variance and 100% of the related financing charges was allocated between industrial and utility customers and will be recovered in one year. The balances are comprised of the following:

Utility Customer:	$ 119,850	due from customer
Industrial Customers:	(1,295,593)	due to customers
Sub-total	(1,175,743)	
Hydraulic Balance:	(10,625,444)	fuel savings (1)
Total Plan Balance:	$ (11,801,187)	

December 2003 Plan Balance

The plan balances as at December 31, 2003 were consolidated and are being recovered over four years. Year-to-date recoveries for utility and industrial customers are $28,545,395 and $9,289,129 respectively. The balance remaining in this plan is $104,866,554 and is allocated as follows:

Utility Customer:	$ 79,780,518	due from customer
Industrial Customers:	25,086,036	due from customers
Total Plan Balance December 31, 2005:	$ 104,866,554	due from customers

(1) The amount represents the hydraulic balance after the December 31, 2004 allocation of 25% of the Hydraulic variance and 100% of the related finance charges to industrial and utility customers.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Net Hydraulic Production Variation

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance							(5,521,528)
January	418,400,000	479,420,586	(61,020,586)	31.85	(3,084,930)	(33,672)	(8,640,130)
February	426,980,000	378,884,918	48,095,082	31.00	2,366,583	(52,690)	(6,326,237)
March	420,110,000	402,454,195	17,655,805	30.28	848,600	(38,580)	(5,516,217)
April	366,550,000	412,642,910	(46,092,910)	30.28	(2,215,386)	(33,640)	(7,765,243)
May	336,960,000	437,313,132	(100,353,132)	28.66	(4,565,271)	(47,355)	(12,377,869)
June	354,680,000	408,229,632	(53,549,632)	28.66	(2,436,083)	(75,484)	(14,889,436)
July	406,740,000	329,243,291	77,496,709	28.66	3,525,485	(90,801)	(11,454,752)
August	401,860,000	366,978,342	34,881,658	28.66	1,586,839	(69,855)	(9,937,768)
September	336,720,000	351,636,469	(14,916,469)	28.66	(678,581)	(60,604)	(10,676,953)
October	313,420,000	361,907,610	(48,487,610)	27.99	(2,154,235)	(65,112)	(12,896,300)
November	394,550,000	373,941,535	20,608,465	27.75	907,754	(78,646)	(12,067,192)
December	405,180,000	466,976,393	(61,796,393)	28.00	(2,746,506)	(73,590)	(14,887,288)
	4,582,150,000	4,769,629,013	(187,479,013)		(8,645,731)	(720,029)	(14,887,288)
Hydraulic Allocation [2]					3,541,815	720,029	4,261,844
Hydraulic variation at year end					(5,103,916)	0	(10,625,444)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers.

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	4,664,093,036	74.2%	3,164,333	228,838	3,393,171
Industrial	1,236,901,333	19.7%	839,170		839,170
Rural	380,784,148	6.1%	258,341	(258,341)	-
Total	6,281,778,517	100.0%	4,261,844	(29,503)	4,232,341
Labrador Inteconnected (write-off to income)				29,503	29,503
				-	4,261,844

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

No. 6 Fuel Variation

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	379,479	3,484	375,995	31.85	30.18	(1.67)	(627,912)
February	371,880	2,230	369,650	31.00	32.43	1.43	528,600
March	386,830	2,498	384,332	30.28	35.15	4.87	1,871,697
April	170,896	1,217	169,679	30.28	39.08	8.80	1,493,175
May	32,123	2,558	29,565	28.66	39.35	10.69	316,050
June	12,252	2,539	9,713	28.66	39.35	10.69	103,832
July	111,176	3,247	107,929	28.66	39.35	10.69	1,153,761
August	57,206	2,974	54,232	28.66	39.35	10.69	579,740
September	97,871	2,411	95,460	28.66	39.35	10.69	1,020,467
October	162,275	1,640	160,635	27.99	44.53	16.54	2,656,903
November	179,471	17	179,454	27.75	48.26	20.51	3,680,602
December	174,651	2	174,649	28.00	48.11	20.11	3,512,191
	2,136,110	24,817	2,111,293	29.58	37.59	8.01	16,289,106

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Allocation of Fuel Variance – Year-to-Date

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers [2]	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 88.58%)**	**(G X 11.42%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	4,748,376,165	1,423,320,641	397,638,895	6,569,335,701	(453,861)	(136,044)	(38,007)	(627,912)	(33,667)	(4,340)
February	4,723,345,659	1,415,249,384	394,875,892	6,533,470,935	(71,797)	(21,512)	(6,003)	(99,312)	(5,317)	(686)
March	4,716,235,662	1,417,722,384	392,104,308	6,526,062,354	1,280,862	385,033	106,490	1,772,385	94,329	12,161
April	4,733,403,005	1,410,260,071	391,616,080	6,535,279,156	2,365,195	704,681	195,684	3,265,560	173,337	22,347
May	4,732,709,144	1,391,656,193	389,149,531	6,513,514,868	2,602,392	765,235	213,983	3,581,610	189,546	24,437
June	4,721,451,875	1,373,726,332	386,302,993	6,481,481,200	2,684,670	781,116	219,656	3,685,442	194,571	25,085
July	4,707,412,951	1,357,898,416	386,093,124	6,451,404,491	3,531,034	1,018,561	289,608	4,839,203	256,535	33,073
August	4,703,090,858	1,348,697,237	385,823,905	6,437,612,000	3,958,887	1,135,283	324,773	5,418,943	287,684	37,089
September	4,691,690,813	1,346,879,648	384,453,745	6,423,024,206	4,703,660	1,350,316	385,434	6,439,410	341,417	44,017
October	4,696,363,578	1,335,636,755	384,785,523	6,416,785,856	6,657,475	1,893,373	545,465	9,096,313	483,173	62,292
November	4,683,360,849	1,286,324,284	382,836,165	6,352,521,298	9,419,709	2,587,202	770,004	12,776,915	682,070	87,934
December	4,664,093,036	1,236,901,333	380,784,148	6,281,778,517	12,094,331	3,207,375	987,400	16,289,106	874,639	112,761

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The kWh for industrial customers decreased 633,199 over the period July to December 2004 due to a sales adjustment recorded in January 2005. This decrease is reflected in the current Twelve Months-to-Date figures.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Allocation of Fuel Variance - Monthly

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	(453,861)	(453,861)	(33,667)	(33,667)	(487,528)	(136,044)	(136,044)
February	(71,797)	382,064	(5,317)	28,350	410,414	(21,512)	114,532
March	1,280,862	1,352,659	94,329	99,646	1,452,305	385,033	406,545
April	2,365,195	1,084,333	173,337	79,008	1,163,341	704,681	319,648
May	2,602,392	237,197	189,546	16,209	253,406	765,235	60,554
June	2,684,670	82,278	194,571	5,025	87,303	781,116	15,881
July	3,531,034	846,364	256,535	61,964	908,328	1,018,561	237,445
August	3,958,887	427,853	287,684	31,149	459,002	1,135,283	116,722
September	4,703,660	744,773	341,417	53,733	798,506	1,350,316	215,033
October	6,657,475	1,953,815	483,173	141,756	2,095,571	1,893,373	543,057
November	9,419,709	2,762,234	682,070	198,897	2,961,131	2,587,202	693,829
December	12,094,331	2,674,622	874,639	192,569	2,867,191	3,207,375	620,173
		12,094,331		874,639	12,968,970		3,207,375

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Load Variation - Utility

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate [2]	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J)**
											(to page 10)
January	539,000,000	583,146,241	44,146,241	31.85	0.04700	156,964	0	14,972	0.00600	(90)	156,874
February	529,200,000	483,465,422	(45,734,578)	31.00	0.04700	(100,906)	0	9,704	0.00600	(58)	(100,964)
March	502,300,000	502,683,268	383,268	30.28	0.04700	408	0	0	0.00600	0	408
April	409,900,000	401,106,239	(8,793,761)	30.28	0.04700	(9,352)	0	50,029	0.00600	(300)	(9,652)
May	360,000,000	337,427,557	(22,572,443)	28.66	0.04700	34,038	0	0	0.00600	0	34,038
June	285,400,000	292,526,522	7,126,522	28.66	0.04700	(10,746)	0	120,824	0.00600	(725)	(11,471)
July	271,200,000	270,899,447	(300,553)	28.66	0.04700	453	0	3,767	0.00600	(23)	430
August	269,100,000	272,663,419	3,563,419	28.66	0.04700	(5,373)	0	5,939	0.00600	(36)	(5,409)
September	277,500,000	279,940,844	2,440,844	28.66	0.04700	(3,681)	0	0	0.00600	0	(3,681)
October	351,900,000	345,179,856	(6,720,144)	27.99	0.04700	17,280	0	18,179	0.00600	(109)	17,171
November	435,600,000	402,642,350	(32,957,650)	27.75	0.04700	97,304	0	35,598	0.00600	(214)	97,090
December	541,600,000	492,152,859	(49,447,141)	28.00	0.04700	126,365	0	0	0.00600	0	126,365
	4,772,700,000	4,663,834,024	(108,865,976)			302,754	0	259,012		(1,554)	301,200

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) Effective January 1, 2005, the utility firm energy rate decreased to $0.04700/kWh. This is a decrease of $0.00534 from the previous rate of $0.05234 that resulted from a change in rate structure to include a demand component.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Load Variation - Industrial

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh) **(B - A)**	($)	($/kWh)	($) **C x {(D/O[1]) - E} (to page 11)**
January	116,800,000	112,560,731	(4,239,269)	31.85	0.02675	(100,918)
February	109,500,000	109,136,716	(363,284)	31.00	0.02675	(8,158)
March	116,300,000	122,483,694	6,183,694	30.28	0.02675	131,796
April	111,500,000	110,682,063	(817,937)	30.28	0.02675	(17,433)
May	104,000,000	105,616,596	1,616,596	28.66	0.02675	30,298
June	113,500,000	98,776,302	(14,723,698)	28.66	0.02675	(275,952)
July	116,100,000	110,910,423	(5,189,577)	28.66	0.02675	(97,263)
August	116,100,000	116,298,285	198,285	28.66	0.02675	3,716
September	107,000,000	115,676,988	8,676,988	28.66	0.02675	162,625
October	103,300,000	106,076,843	2,776,843	27.99	0.02675	49,091
November	114,200,000	67,881,626	(46,318,374)	27.75	0.02675	(801,198)
December	106,500,000	60,801,066	(45,698,934)	28.00	0.02675	(808,617)
	1,334,800,000	1,236,901,333	(97,898,667)			(1,732,013)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Summary of Utility Customer

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)			
	(from page 8)	**(from page 7)**					**(to page 12)**
Opening Balance [3]							4,910,867
January	156,874	(487,528)	(165,267)	(495,921)	29,948	(536,508)	3,908,386
February	(100,964)	410,414	(138,281)	171,169	23,835	(444,797)	3,658,593
March	408	1,452,305	(120,103)	1,332,610	22,311	(462,469)	4,551,045
April	(9,652)	1,163,341	(121,083)	1,032,606	27,754	(369,064)	5,242,341
May	34,038	253,406	(104,331)	183,113	31,970	(310,433)	5,146,991
June	(11,471)	87,303	(131,903)	(56,071)	31,388	(269,236)	4,853,072
July	430	908,328	(140,432)	768,326	29,596	(1,378,897)	4,272,097
August	(5,409)	459,002	(221,153)	232,440	26,053	(1,387,887)	3,142,704
September	(3,681)	798,506	(213,613)	581,212	19,165	(1,424,899)	2,318,182
October	17,171	2,095,571	(212,261)	1,900,481	14,137	(1,757,058)	2,475,742
November	97,090	2,961,131	(238,037)	2,820,184	15,098	(2,049,631)	3,261,393
December	126,365	2,867,191	(256,759)	2,736,797	19,889	(2,505,058)	3,513,021
Year to date	301,200	12,968,970	(2,063,223)	11,206,947	291,144	(12,895,937)	(1,397,846)
Hydraulic allocation **(from page 4)**							(3,393,171)
Total	301,200	12,968,970	(2,063,223)	11,206,947	291,144	(12,895,937)	119,850

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is 0.092 cents per kWh effective July 1, 2004 to June 30, 2005 and 0.509 cents per kWh effective July 1, 2005.

(3) The opening balance includes an increase of $892 from $4,909,975. The increase is the effect on prior years balances of billing adjustments on January's bill relating to Abitibi Grand Falls and Stephenville for the period July to December 2004.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Summary of Industrial Customers

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance [2]						3,712,142
January	(100,918)	(136,044)	(236,962)	22,638	(524,533)	2,973,285
February	(8,158)	114,532	106,374	18,132	(508,577)	2,589,214
March	131,796	406,545	538,341	15,790	(570,774)	2,572,571
April	(17,433)	319,648	302,215	15,688	(515,778)	2,374,696
May	30,298	60,554	90,852	14,482	(492,173)	1,987,857
June	(275,952)	15,881	(260,071)	12,123	(460,298)	1,279,611
July	(97,263)	237,445	140,182	7,803	(516,843)	910,753
August	3,716	116,722	120,438	5,554	(541,950)	494,795
September	162,625	215,033	377,658	3,017	(539,055)	336,415
October	49,091	543,057	592,148	2,052	(494,318)	436,297
November	(801,198)	693,829	(107,369)	2,661	(316,328)	15,261
December	(808,617)	620,173	(188,444)	93	(283,333)	(456,423)
Year to date	(1,732,013)	3,207,375	1,475,362	120,033	(5,763,960)	(4,168,565)
Hydraulic allocation **(from page 4)**						(839,170)
Total	(1,732,013)	3,207,375	1,475,362	120,033	(5,763,960)	(1,295,593)

(1) The RSP adjustment rate for Industrial Customers is 0.466 cents per kWh effective January 1, 2005.

(2) The opening balance includes an decrease of $12,395 from $3,724,537. The decrease is the effect on prior years balances of billing adjustments on January's bill relating to Abitibi Grand Falls and Stephenville for the period July to December 2004.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Overall Summary

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($) (A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2004 (1)	(5,521,528)	4,910,867	3,712,142	3,101,481
January	(8,640,130)	3,908,386	2,973,285	(1,758,459)
February	(6,326,237)	3,658,593	2,589,214	(78,430)
March	(5,516,217)	4,551,045	2,572,571	1,607,399
April	(7,765,243)	5,242,341	2,374,696	(148,206)
May	(12,377,869)	5,146,991	1,987,857	(5,243,021)
June	(14,889,436)	4,853,072	1,279,611	(8,756,753)
July	(11,454,752)	4,272,097	910,753	(6,271,902)
August	(9,937,768)	3,142,704	494,795	(6,300,269)
September	(10,676,953)	2,318,182	336,415	(8,022,356)
October	(12,896,300)	2,475,742	436,297	(9,984,261)
November	(12,067,192)	3,261,393	15,261	(8,790,538)
December	(10,625,444)	119,850	(1,295,593)	(11,801,187)

(1) The opening balance utility and industrial includes an increase of $892 and $12,395. The increase is the effect on prior years balances of billing adjustments on January's bill relating to Abitibi Grand Falls and Stephenville for the period July to December 2004.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2005**

RATE STABILIZATION PLAN

Recovery of December 2003 Balance

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date
	Recovery [1]	Financing Charges	Total To Date	Recovery [2]	Financing Charges	Total To Date	Due From (To) Customers
	($)	($)	($)	($)	($)	($)	($)
			(A + B)			**(D + E)**	**(C + F)**
Opening Balance			101,659,510.34			32,273,640.74	133,933,151.08
January	(3,458,145.99)	619,953.58	98,821,317.93	(845,331.09)	196,815.42	31,625,125.07	130,446,443.00
February	(2,867,007.50)	602,645.34	96,556,955.77	(819,616.74)	192,860.55	30,998,368.88	127,555,324.65
March	(2,980,911.78)	588,836.50	94,164,880.49	(919,852.54)	189,038.39	30,267,554.73	124,432,435.22
April	(2,378,856.67)	574,248.83	92,360,272.65	(831,222.29)	184,581.64	29,620,914.08	121,981,186.73
May	(2,000,945.41)	563,243.73	90,922,570.97	(793,180.64)	180,638.21	29,008,371.65	119,930,942.62
June	(1,735,398.76)	554,476.15	89,741,648.36	(741,810.03)	176,902.72	28,443,464.34	118,185,112.70
July	(1,722,944.44)	547,274.49	88,565,978.41	(832,937.28)	173,457.73	27,783,984.79	116,349,963.20
August	(1,734,177.12)	540,104.86	87,371,906.15	(873,400.12)	169,436.00	27,080,020.67	114,451,926.82
September	(1,780,423.77)	532,823.01	86,124,305.39	(868,734.18)	165,142.99	26,376,429.48	112,500,734.87
October	(2,195,459.50)	525,214.72	84,454,060.61	(796,637.09)	160,852.26	25,740,644.65	110,194,705.26
November	(2,561,031.75)	515,029.01	82,408,057.87	(509,791.01)	156,975.03	25,387,828.67	107,795,886.54
December	(3,130,092.18)	502,551.81	79,780,517.50	(456,616.01)	154,823.44	25,086,036.10	104,866,553.60
Total	(28,545,394.87)	6,666,402.03	79,780,517.50	(9,289,129.02)	2,101,524.38	25,086,036.10	104,866,553.60

(1) The recovery rate for Utility is 0.593 cents per kWh effective July 1, 2004 to June 30, 2005 and 0.636 cents per kWh effective July 1, 2005.

(2) The recovery rate for Industrial is 0.751 cents per kWh effective January 1, 2005.

(3) The opening balance for industrial customers includes an increase of $5,054.26. The increase is the effect on prior years balances of billing adjustments on January's bill relating to Abitibi Grand Falls and Stephenville for the period July to December 2004.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
DECEMBER 2006

RATE STABILIZATION PLAN REPORT

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order P.U. 40 (2003), is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was as approved by Board Order P.U. 14 (2004) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.568% per annum. Holyrood's operating efficiency is 630 kWh/barrel.

	2004 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	418,400,000	31.85	539,000,000	116,800,000
February	426,980,000	31.00	529,200,000	109,500,000
March	420,110,000	30.28	502,300,000	116,300,000
April	366,550,000	30.28	409,900,000	111,500,000
May	336,960,000	28.66	360,000,000	104,000,000
June	354,680,000	28.66	285,400,000	113,500,000
July	406,740,000	28.66	271,200,000	116,100,000
August	401,860,000	28.66	269,100,000	116,100,000
September	336,720,000	28.66	277,500,000	107,000,000
October	313,420,000	27.99	351,900,000	103,300,000
November	394,550,000	27.75	435,600,000	114,200,000
December	405,180,000	28.00	541,600,000	106,500,000
Total	4,582,150,000		4,772,700,000	1,334,800,000

Plan Highlights

Hydraulic Production

Year-to-date hydraulic production is 220.3 GWh more than the Cost of Service production of 4,582.2 GWh resulting in a fuel savings of $10,678,146 in the hydraulic variation account. (See page 4)

No. 6 Fuel Cost

The No.6 fuel cost for the month of December was $48.14, $20.14 more than the Cost of Service. Higher fuel costs have resulted in a year-to-date amount of $25,715,453 due from Customers. (See page 5)

Customer Load

Utility sales are down 155.9 GWh year-to-date compared with the Cost of Service Sales of 4,772.7 GWh resulting in $100,092 due from the utility customer. (See page 8)

Industrial sales are down 585.70 GWh year-to-date compared with the Cost of Service Sales of 1,334.8 GWh resulting in $11,541,701 due to industrial customers. (See page 9)

Rural Rates

A net amount of $353,947 due to customers assigned to Labrador Interconnected Customers is removed from the plan and written off to Hydro's net income (loss). This year-to-date amount is calculated as follows:

Rural rate alteration (RRA)	$(4,336,962)	savings [(1)]
Less RRA to utility customer	(3,841,680)	savings (see page 10)
RRA to Labrador Interconnected	(495,282)	savings
Fuel variance to Labrador Interconnected	190,556	charge (see page 6)
Hydraulic variance allocation	49,221	charge (see page 4)
Net Labrador Interconnected	$ 353,947	net savings

(1) Beginning January 2005, the RRA includes a monthly amount of $22,120. This amount relates to the five-year phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations P.U. 40 (2003). In January 2006, this amount increased to $46,952.

Plan Highlights Continued

Current Plan Summary

Balances below from utility and industrial customers are expected to be recovered in one year. In addition, at December 31, 25% of the hydraulic variance and 100% of the related financing charges was allocated between industrial and utility customers and will be recovered in one year. The balances are comprised of the following:

Utility Customer:	$ (19,267,887)	due to customer
Industrial Customers:	(14,406,473)	due to customers
Sub-total	(33,674,360)	
Hydraulic Balance:	(15,977,692)	fuel savings (1)
Total Plan Balance:	$ (49,652,052)	

December 2003 Plan Balance

The plan balances as at December 31, 2003 were consolidated and are being recovered over four years. Year-to-date recoveries for utility and industrial customers are $30,844,498 and $17,440,254 respectively. The balance remaining in this plan is $62,994,272 and is allocated as follows:

Utility Customer:	$ 53,893,341	due from customer
Industrial Customers:	9,100,931	due from customers
Total Plan Balance December 31, 2006:	$ 62,994,272	due from customers

(1) The amount represents the hydraulic balance after the December 31, 2005 allocation of 25% of the Hydraulic variance and 100% of the related finance charges to industrial and utility customers. The balance at December 31, 2006 will be placed in a reserve account and attract financing charges as per PUB Order P.U. 46 (2006).

Revision Note:

February and March's RSPs have been revised to reflect PUB Order P.U. 16 (2006) whereby the PUB denied Hydro's request to recover, through the RSP, the cost of 1% sulphur fuel purchase. This resulted in the actual No. 6 fuel cost for March being reduced from $51.86 to $51.41 (February - $51.78 to $51.41).

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Net Hydraulic Production Variation

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance							(10,625,444)
January	418,400,000	507,497,046	(89,097,046)	31.85	(4,504,351)	(64,797)	(15,194,592)
February	426,980,000	493,847,019	(66,867,019)	31.00	(3,290,282)	(92,662)	(18,577,536)
March	420,110,000	485,435,884	(65,325,884)	30.28	(3,139,790)	(113,292)	(21,830,618)
April	366,550,000	335,601,123	30,948,877	30.28	1,487,511	(133,130)	(20,476,237)
May	336,960,000	340,403,539	(3,443,539)	28.66	(156,654)	(124,871)	(20,757,762)
June	354,680,000	354,013,342	666,658	28.66	30,328	(126,588)	(20,854,022)
July	406,740,000	353,930,548	52,809,452	28.66	2,402,411	(127,175)	(18,578,786)
August	401,860,000	343,561,057	58,298,943	28.66	2,652,139	(113,300)	(16,039,947)
September	336,720,000	346,658,159	(9,938,159)	28.66	(452,107)	(97,817)	(16,589,871)
October	313,420,000	348,235,209	(34,815,209)	27.99	(1,546,790)	(101,171)	(18,237,832)
November	394,550,000	389,025,813	5,524,187	27.75	243,327	(111,220)	(18,105,725)
December	405,180,000	504,267,469	(99,087,469)	28.00	(4,403,888)	(110,415)	(22,620,028)
	4,582,150,000	4,802,476,208	(220,326,208)		(10,678,146)	(1,316,438)	(22,620,028)
Hydraulic Allocation [2]					5,325,898	1,316,438	6,642,336
Hydraulic variation at year end					(5,352,248)	0	(15,977,692)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers as follows:

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	4,616,864,312	80.5%	5,344,215	381,785	5,726,000
Industrial	749,100,463	13.1%	867,115		867,115
Rural	372,345,900	6.4%	431,006	(431,006)	-
Total	5,738,310,675	100.0%	6,642,336	(49,221)	6,593,115
Labrador Inteconnected (write-off to income)				49,221	49,221
				-	6,642,336

(3) In accordance with PUB Order P.U. 46 (2006), the December 31, 2006 Hydraulic Variation balance will be maintained in a reserve account.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

No. 6 Fuel Variation

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost [1]	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	173,790	1,105	172,685	31.85	48.63	16.78	2,897,654
February	153,548	29	153,519	31.00	51.37	20.37	3,127,182
March	199,982	9	199,973	30.28	51.41	21.13	4,225,429
April	189,565	3	189,562	30.28	52.02	21.74	4,121,078
May	98,185	133	98,052	28.66	52.02	23.36	2,290,495
June	10,248	18	10,230	28.66	52.02	23.36	238,973
July	0	0	0	28.66	52.02	23.36	0
August	0	0	0	28.66	52.02	23.36	0
September	792	244	548	28.66	52.02	23.36	12,804
October	109,966	4,076	105,890	27.99	51.02	23.03	2,438,649
November	125,351	2,874	122,477	27.75	47.56	19.81	2,426,274
December	196,179	702	195,477	28.00	48.14	20.14	3,936,915
	1,257,607	9,193	1,248,414	29.58	50.24	20.66	25,715,453

(1) Pursuant to PUB Order P.U. 32 (2006), the actual average No. 6 Fuel Cost is based on the cost to burn No. 6 Fuel with a 1% sulphur content. This change is effective October 20, 2006.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Allocation of Fuel Variance – Year-to-Date

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 88.58%)**	**(G X 11.42%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	4,603,482,008	1,188,367,647	376,375,432	6,168,225,087	2,162,583	558,261	176,810	2,897,654	156,618	20,192
February	4,620,171,116	1,136,702,515	376,424,669	6,133,298,300	4,538,467	1,116,601	369,768	6,024,836	327,540	42,228
March	4,634,244,237	1,073,087,428	375,292,759	6,082,624,424	7,809,496	1,808,336	632,433	10,250,265	560,209	72,224
April	4,621,302,895	1,024,000,515	374,452,140	6,019,755,550	11,032,729	2,444,661	893,953	14,371,343	791,864	102,089
May	4,609,765,227	981,528,003	374,456,453	5,965,749,683	12,874,687	2,741,325	1,045,826	16,661,838	926,393	119,433
June	4,594,152,281	951,832,522	372,344,354	5,918,329,157	13,119,395	2,718,122	1,063,294	16,900,811	941,866	121,428
July	4,594,486,924	911,715,198	371,740,237	5,877,942,359	13,210,500	2,621,449	1,068,862	16,900,811	946,798	122,064
August	4,588,974,277	860,100,491	371,229,450	5,820,304,218	13,325,315	2,497,532	1,077,964	16,900,811	954,861	123,103
September	4,583,021,023	803,185,295	371,214,096	5,757,420,414	13,463,574	2,359,523	1,090,518	16,913,615	965,981	124,537
October	4,582,997,552	756,236,114	370,760,239	5,709,993,905	15,532,657	2,563,029	1,256,578	19,352,264	1,113,077	143,501
November	4,573,026,350	749,436,580	370,902,570	5,693,365,500	17,492,962	2,866,781	1,418,795	21,778,538	1,256,769	162,026
December	4,616,864,312	749,100,463	372,345,900	5,738,310,675	20,689,845	3,356,991	1,668,617	25,715,453	1,478,061	190,556

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Allocation of Fuel Variance - Monthly

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	2,162,583	2,162,583	156,618	156,618	2,319,201	558,261	558,261
February	4,538,467	2,375,884	327,540	170,922	2,546,806	1,116,601	558,340
March	7,809,496	3,271,029	560,209	232,669	3,503,698	1,808,336	691,735
April	11,032,729	3,223,233	791,864	231,655	3,454,888	2,444,661	636,325
May	12,874,687	1,841,958	926,393	134,529	1,976,487	2,741,325	296,664
June	13,119,395	244,708	941,866	15,473	260,181	2,718,122	(23,203)
July	13,210,500	91,105	946,798	4,932	96,037	2,621,449	(96,673)
August	13,325,315	114,815	954,861	8,063	122,878	2,497,532	(123,917)
September	13,463,574	138,259	965,981	11,120	149,379	2,359,523	(138,009)
October	15,532,657	2,069,083	1,113,077	147,096	2,216,179	2,563,029	203,506
November	17,492,962	1,960,305	1,256,769	143,692	2,103,997	2,866,781	303,752
December	20,689,845	3,196,883	1,478,061	221,292	3,418,175	3,356,991	490,210
		20,689,845		1,478,061	22,167,906		3,356,991

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Load Variation - Utility

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate [2]	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J)**
											(to page 10)
January	539,000,000	522,550,185	(16,449,815)	31.85	0.04700	(58,488)	0	0	0.00600	0	(58,488)
February	529,200,000	500,161,445	(29,038,555)	31.00	0.04700	(64,069)	0	2,789	0.00600	(17)	(64,086)
March	502,300,000	516,756,315	14,456,315	30.28	0.04700	15,374	0	74	0.00600	0	15,374
April	409,900,000	388,214,926	(21,685,074)	30.28	0.04700	(23,062)	0	0	0.00600	0	(23,062)
May	360,000,000	325,889,741	(34,110,259)	28.66	0.04700	51,436	0	148	0.00600	(1)	51,435
June	285,400,000	277,034,400	(8,365,600)	28.66	0.04700	12,615	0	0	0.00600	0	12,615
July	271,200,000	271,237,857	37,857	28.66	0.04700	(57)	0	0	0.00600	0	(57)
August	269,100,000	267,156,084	(1,943,916)	28.66	0.04700	2,931	0	627	0.00600	(4)	2,927
September	277,500,000	273,964,453	(3,535,547)	28.66	0.04700	5,331	0	23,137	0.00600	(139)	5,192
October	351,900,000	345,173,476	(6,726,524)	27.99	0.04700	17,297	0	1,088	0.00600	(7)	17,290
November	435,600,000	392,703,492	(42,896,508)	27.75	0.04700	126,647	0	3,254	0.00600	(20)	126,627
December	541,600,000	535,988,163	(5,611,837)	28.00	0.04700	14,341	0	2,658	0.00600	(16)	14,325
	4,772,700,000	4,616,830,537	(155,869,463)			100,296	0	33,775		(204)	100,092

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Load Variation - Industrial

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh)	($)	($/kWh)	($)
			(B - A)			**C x {(D/O[1]) - E}**
						(to page 11)
January	116,800,000	64,027,045	(52,772,955)	31.85	0.02675	(1,256,290)
February	109,500,000	57,471,584	(52,028,416)	31.00	0.02675	(1,168,368)
March	116,300,000	58,868,607	(57,431,393)	30.28	0.02675	(1,224,064)
April	111,500,000	61,595,150	(49,904,850)	30.28	0.02675	(1,063,647)
May	104,000,000	63,144,084	(40,855,916)	28.66	0.02675	(765,724)
June	113,500,000	69,080,821	(44,419,179)	28.66	0.02675	(832,507)
July	116,100,000	70,793,099	(45,306,901)	28.66	0.02675	(849,145)
August	116,100,000	64,683,578	(51,416,422)	28.66	0.02675	(963,650)
September	107,000,000	58,761,792	(48,238,208)	28.66	0.02675	(904,084)
October	103,300,000	59,127,662	(44,172,338)	27.99	0.02675	(780,904)
November	114,200,000	61,082,092	(53,117,908)	27.75	0.02675	(918,813)
December	106,500,000	60,464,949	(46,035,051)	28.00	0.02675	(814,565)
	1,334,800,000	749,100,463	(585,699,537)			(11,541,761)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Summary of Utility Customer

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)			
	(from page 8)	**(from page 7)**					**(to page 12)**
Opening Balance							119,850
January	(58,488)	2,319,201	(359,591)	1,901,122	731	(2,659,780)	(638,077)
February	(64,086)	2,546,806	(319,217)	2,163,503	(3,891)	(2,545,836)	(1,024,301)
March	15,374	3,503,698	(298,606)	3,220,466	(6,247)	(2,630,290)	(440,372)
April	(23,062)	3,454,888	(290,452)	3,141,374	(2,686)	(1,976,014)	722,302
May	51,435	1,976,487	(244,789)	1,783,133	4,405	(1,658,780)	851,060
June	12,615	260,181	(244,698)	28,098	5,190	(1,410,105)	(525,757)
July	(57)	96,037	(267,912)	(171,932)	(3,206)	(2,465,552)	(3,166,447)
August	2,927	122,878	(317,964)	(192,159)	(19,310)	(2,428,455)	(5,806,371)
September	5,192	149,379	(352,936)	(198,365)	(35,409)	(2,490,547)	(8,530,692)
October	17,290	2,216,179	(341,502)	1,891,967	(52,023)	(3,137,637)	(9,828,385)
November	126,627	2,103,997	(384,766)	1,845,858	(59,937)	(3,569,704)	(11,612,168)
December	14,325	3,418,175	(419,247)	3,013,253	(70,815)	(4,872,157)	(13,541,887)
Year to date	100,092	22,167,906	(3,841,680)	18,426,318	(243,198)	(31,844,857)	(13,661,737)
Hydraulic allocation **(from page 4)**							(5,726,000)
Total	100,092	22,167,906	(3,841,680)	18,426,318	(243,198)	(31,844,857)	(19,267,887)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 88.58% and 11.42% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is 0.509 cents per kWh effective July 1, 2005 to June 30, 2006 and 0.909 cents per kWh effective July 1, 2006.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Summary of Industrial Customers

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance						(1,295,593)
January	(1,256,290)	558,261	(698,029)	(7,901)	(339,923)	(2,341,446)
February	(1,168,368)	558,340	(610,028)	(14,279)	(305,174)	(3,270,927)
March	(1,224,064)	691,735	(532,329)	(19,947)	(312,592)	(4,135,795)
April	(1,063,647)	636,325	(427,322)	(25,221)	(327,070)	(4,915,408)
May	(765,724)	296,664	(469,060)	(29,976)	(335,295)	(5,749,739)
June	(832,507)	(23,203)	(855,710)	(35,064)	(366,819)	(7,007,332)
July	(849,145)	(96,673)	(945,818)	(42,733)	(375,911)	(8,371,794)
August	(963,650)	(123,917)	(1,087,567)	(51,054)	(343,470)	(9,853,885)
September	(904,084)	(138,009)	(1,042,093)	(60,092)	(312,025)	(11,268,095)
October	(780,904)	203,506	(577,398)	(68,717)	(174,427)	(12,088,637)
November	(918,813)	303,752	(615,061)	(73,721)	(180,192)	(12,957,611)
December	(814,565)	490,210	(324,355)	(79,021)	(178,372)	(13,539,359)
Year to date	(11,541,761)	3,356,991	(8,184,770)	(507,726)	(3,551,270)	(12,243,766)
Hydraulic allocation **(from page 4)**						(867,115)
Total	(11,541,761)	3,356,991	(8,184,770)	(507,726)	(3,551,270)	(14,406,474)

(1) The RSP adjustment rate for Industrial Customers is 0.531 cents per kWh effective January 1, 2006. This rate was reduced to 0.295 cents per kWh effective Oct. 1, 2006 as per PUB Order P.U. 31 (2006).

(2) In Janaury Aur Resources came on line as an industrial customer and PUB Order P.U. 1(2006) allowed for its inclusion in the RSP with a recovery rate of 0.0466 cents per kWh effective January 20, 2006. P.U. 2 (2006) further directed that this rate increase to 0.531 cents as of January 27, 2006.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Overall Summary

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($) (A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2005	(10,625,444)	119,850	(1,295,593)	(11,801,187)
January	(15,194,592)	(638,077)	(2,341,446)	(18,174,115)
February	(18,577,536)	(1,024,301)	(3,270,927)	(22,872,764)
March	(21,830,618)	(440,372)	(4,135,795)	(26,406,785)
April	(20,476,237)	722,302	(4,915,408)	(24,669,343)
May	(20,757,762)	851,060	(5,749,739)	(25,656,441)
June	(20,854,022)	(525,757)	(7,007,332)	(28,387,111)
July	(18,578,786)	(3,166,447)	(8,371,794)	(30,117,027)
August	(16,039,947)	(5,806,371)	(9,853,885)	(31,700,203)
September	(16,589,871)	(8,530,692)	(11,268,095)	(36,388,658)
October	(18,237,832)	(9,828,385)	(12,088,637)	(40,154,854)
November	(18,105,725)	(11,612,168)	(12,957,611)	(42,675,504)
December	(15,977,692)	(19,267,887)	(14,406,473)	(49,652,052)

NEWFOUNDLAND AND LABRADOR HYDRO **December 2006**

RATE STABILIZATION PLAN

Recovery of December 2003 Balance

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date
	Recovery [1]	Financing Charges	Total To Date	Recovery [2]	Financing Charges	Total To Date	Due From (To) Customers
	($)	($)	($)	($)	($)	($)	($)
			(A + B)			(D + E)	(C + F)
Opening Balance			79,780,517.50			25,086,036.10	104,866,553.60
January [3]	(3,323,419.18)	486,528.19	76,943,626.51	(648,990.19)	152,983.01	24,590,028.92	101,533,655.43
February	(3,181,044.53)	469,227.88	74,231,809.86	(582,761.86)	149,958.19	24,157,225.25	98,389,035.11
March	(3,286,570.63)	452,690.32	71,397,929.55	(596,927.67)	147,318.81	23,707,616.39	95,105,545.94
April	(2,469,046.93)	435,408.37	69,364,290.99	(624,574.82)	144,576.95	23,227,618.52	92,591,909.51
May	(2,072,659.69)	423,006.57	67,714,637.87	(640,281.01)	141,649.76	22,728,987.27	90,443,625.14
June	(1,761,938.78)	412,946.43	66,365,645.52	(700,479.52)	138,608.94	22,167,116.69	88,532,762.21
July	(1,917,651.65)	404,719.83	64,852,713.70	(717,842.02)	135,182.47	21,584,457.14	86,437,170.84
August	(1,888,797.95)	395,493.47	63,359,409.22	(655,891.48)	131,629.21	21,060,194.87	84,419,604.09
September	(1,937,092.26)	386,386.80	61,808,703.76	(595,844.57)	128,432.09	20,592,782.39	82,401,486.15
October [4]	(2,440,384.17)	376,930.08	59,745,249.67	(10,548,704.70)	64,598.32	10,108,676.01	69,853,925.68
November	(2,776,436.69)	364,346.45	57,333,159.43	(566,841.81)	61,646.08	9,603,480.28	66,936,639.71
December	(3,789,455.10)	349,636.72	53,893,341.05	(561,114.73)	58,565.22	9,100,930.77	62,994,271.82
Total	(30,844,497.56)	4,957,321.11	53,893,341.05	(17,440,254.38)	1,455,149.05	9,100,930.77	62,994,271.82

(1) The recovery rate for Utility is 0.636 cents per kWh effective July 1, 2005 to June 30, 2006 and 0.707 cents per kWh effective July 1, 2006.

(2) The recovery rate for Industrial Customers is 1.014 cents per kWh effective January 1, 2006. This rate was reduced to 0.928 cents per kWh effective October 1, 2006 as per PUB Order P.U. 31 (2006).

(3) In Janaury Aur Resources came on line as an industrial customer and PUB Order P.U. 1(2006) allowed for its inclusion in the RSP with a recovery rate of 0.0751 cents per kWh effective January 20, 2006. P.U. 2 (2006) further directed that this rate increase to 1.014 cents as of January 27, 2006.

(4) The balance owing from industrial customers reflects a $10.0 million contibution from the Government of Newfoundland with an effective date of October 1, 2006.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
DECEMBER, 2007

RATE STABILIZATION PLAN REPORT

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's Utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was approved by Board Order No. P.U. 8 (2007) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.529% per annum. Holyrood's operating efficiency is 630 kWh/barrel.

	2007 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	427,100,000	54.17	574,800,000	78,300,000
February	388,680,000	54.73	518,600,000	70,900,000
March	415,080,000	55.46	524,700,000	76,600,000
April	355,520,000	55.46	429,200,000	75,600,000
May	324,240,000	55.46	358,700,000	69,500,000
June	328,500,000	54.49	298,400,000	73,800,000
July	386,790,000	54.49	293,400,000	77,500,000
August	379,140,000	54.49	287,000,000	77,900,000
September	363,560,000	54.49	297,700,000	73,000,000
October	340,510,000	54.56	360,200,000	74,400,000
November	364,390,000	54.56	439,300,000	74,100,000
December	398,560,000	58.98	543,800,000	72,700,000
Total	4,472,070,000		4,925,800,000	894,300,000

Plan Highlights

Hydraulic Production

Year-to-date hydraulic production is 217.4 GWh more than the Cost of Service production of 4,472.1 GWh resulting in a fuel savings of $20,884,529 in the hydraulic variation account. (See page 4)

No. 6 Fuel Cost

The No.6 fuel cost for the month of December was $66.01, $7.03 more than the Cost of Service. Lower year-to-date average fuel costs have resulted in a year-to-date amount of $5,771,537 due to Customers. (See page 5)

Customer Load

Utility sales are up 64.5 GWh year-to-date compared with the Cost of Service Sales of 4,925.8 GWh resulting in $253,840 due from the utility customer. (See page 8)

Industrial sales are down 123.1 GWh year-to-date compared with the Cost of Service Sales of 894.3 GWh resulting in $6,262,077 due to industrial customers. (See page 9)

Rural Rates

A net amount of $42,585 assigned to Labrador Interconnected Customers is removed from the plan and written off to Hydro's net income (loss). This year-to-date amount is calculated as follows:

Rural rate alteration (RRA)	$ 1,861,804	charge [(1)]
Less RRA to utility customer	1,658,868	charge (see page 10)
RRA to Labrador Interconnected	202,936	charge
Fuel variance to Labrador Interconnected	(40,840)	savings (see page 6)
Hydraulic variance allocation adjustment	(118,398)	savings (see schedule A)
Net Labrador Interconnected	$ 43,698	net charge

(1) Beginning January 2007, the RRA includes a monthly amount of $92,560. This amount relates to the phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations which received final approval in Order No. P.U. 14 (2007) issued August 17, 2007.

Plan Highlights Continued

Current Plan Summary

Balances below from utility and industrial customers are expected to be recovered in one year. In addition, at December 31, 25% of the hydraulic variance and 100% of the related financing charges was allocated between industrial ($758,949 due to Customers) and utility customers ($5,262,203 due to Customers) and to be repaid in one year. The balances are comprised of the following:

Utility Customer	$ (9,397,169)	due to customer [3]
Utility Customer – 25% Hydraulic balance	(5,262,203)	due to customer
Sub-total Utility	**(14,659,372)**	
Industrial Customers	(6,687,095)	due to customer
Industrial Customers – 25% Hydraulic variance	(758,949)	due to customer
Industrial Customers: - 2003 balance	(1,382,924)	due to customers [4]
Sub-total Industrial	**(8,828,968)**	
Hydraulic Balance:	(14,820,468)	fuel savings [2]
Total Plan Balance:	**$ (38,308,808)**	

December 2003 Plan Balance

The plan balances as at December 31, 2003 were consolidated and are being recovered over four years. Year-to-date recoveries for utility and industrial customers are $24,093,414 and $8,746,071 respectively. As of December 31, 2007 the balance of $1,382,924 due to Industrial Customers has been transferred to the current plan in accordance with Section E of the Rate Stabilization Plan rules. The remaining balance of $12,053,450[3] is due from the Utility Customer.

(2) The amount represents the hydraulic balance for the current year to-date as the hydraulic balance at December 31, 2006 was allocated to industrial and utility customers as per P.U. 8. (2007).

(3) December 2006 balances were adjusted in accordance with the provisions of the special adjustment to the RSP Hydraulic Production Variation as set out in Schedule B attached to Order P.U. 8 (2007).

(4) The balance of the December 2003 Plan related to industrial customers will be recovered during 2008 as a component of the Current Plan in accordance with Section E of the Rate Stabilization Plan rules.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**
RATE STABILIZATION PLAN

Net Hydraulic Production Variation

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance [3]							0
January	427,100,000	531,972,339	(104,872,339)	54.17	(9,017,357)	0	(9,017,357)
February	388,680,000	490,775,513	(102,095,513)	54.73	(8,869,345)	(54,713)	(17,941,415)
March	415,080,000	467,302,785	(52,222,785)	55.46	(4,597,263)	(108,860)	(22,647,538)
April	355,520,000	400,656,711	(45,136,711)	55.46	(3,973,463)	(137,414)	(26,758,415)
May	324,240,000	335,838,684	(11,598,684)	55.46	(1,021,052)	(162,357)	(27,941,824)
June	328,500,000	281,234,508	47,265,492	54.49	4,088,090	(169,537)	(24,023,271)
July	386,790,000	275,130,963	111,659,037	54.49	9,657,621	(145,761)	(14,511,411)
August	379,140,000	344,850,651	34,289,349	54.49	2,965,757	(88,048)	(11,633,702)
September	363,560,000	355,535,026	8,024,974	54.49	694,097	(70,587)	(11,010,192)
October	340,510,000	322,786,684	17,723,316	54.56	1,534,895	(66,804)	(9,542,101)
November	364,390,000	371,392,165	(7,002,165)	54.56	(606,410)	(57,897)	(10,206,408)
December	398,560,000	511,957,801	(113,397,801)	58.98	(10,616,194)	(61,927)	(20,884,529)
	4,472,070,000	4,689,433,830	(217,363,830)		(19,760,624)	(1,123,905)	(20,884,529)
Hydraulic Allocation [2]					4,940,156	1,123,905	6,064,061
Hydraulic variation at year end					(14,820,468)	-	(14,820,468)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers.

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	4,990,718,593	81.0%	4,911,447	350,756	5,262,203
Industrial	771,198,558	12.5%	758,949		758,949
Rural	400,018,423	6.5%	393,665	(393,665)	-
Total	6,161,935,574	100.0%	6,064,061	(42,909)	6,021,152
Labrador Inteconnected (write-off to income)				42,909	42,909
				-	6,064,061

(3) In accordance with PUB Order P.U. 8 (2007), the December 31, 2006 Hydraulic Variation balance was allocated to the Industrial and Utility Customers as detailed in Schedule A of this report.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

No. 6 Fuel Variation

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	211,209	184	211,025	54.17	46.53	(7.64)	(1,612,231)
February	231,852	585	231,267	54.73	46.25	(8.48)	(1,961,147)
March	269,147	1,901	267,246	55.46	46.60	(8.86)	(2,367,797)
April	222,349	2,320	220,029	55.46	47.47	(7.99)	(1,758,031)
May	215,328	6,409	208,919	55.46	51.73	(3.73)	(779,268)
June	170,607	6,259	164,348	54.49	52.65	(1.84)	(302,399)
July	124,765	2,786	121,979	54.49	54.85	0.36	43,912
August	17,736	1,429	16,307	54.49	54.90	0.41	6,686
September	231	145	86	54.49	56.10	1.61	139
October	154,238	18	154,220	54.56	56.11	1.55	239,041
November	181,235	0	181,235	54.56	60.03	5.47	991,357
December	245,950	118	245,832	58.98	66.01	7.03	1,728,201
	2,044,648	22,154	2,022,494	55.47	52.51	(2.96)	(5,771,537)

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Allocation of Fuel Variance – Year-to-Date

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 88.58%)**	**(G X 11.42%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	4,661,863,479	749,734,721	374,020,081	5,785,618,281	(1,299,083)	(208,922)	(104,226)	(1,612,231)	(92,865)	(11,361)
February	4,699,613,239	756,787,987	375,955,265	5,832,356,491	(2,879,367)	(463,670)	(230,341)	(3,573,378)	(205,234)	(25,107)
March	4,715,725,889	773,537,749	379,723,680	5,868,987,318	(4,773,729)	(783,052)	(384,394)	(5,941,175)	(342,495)	(41,899)
April	4,779,221,431	780,435,589	382,343,048	5,942,000,068	(6,192,563)	(1,011,231)	(495,412)	(7,699,206)	(441,412)	(54,000)
May	4,834,932,413	792,423,226	386,603,082	6,013,958,721	(6,816,284)	(1,117,158)	(545,032)	(8,478,474)	(485,624)	(59,408)
June	4,868,431,946	795,936,264	390,313,494	6,054,681,704	(7,060,500)	(1,154,316)	(566,057)	(8,780,873)	(504,357)	(61,700)
July	4,881,848,366	796,326,557	391,675,595	6,069,850,518	(7,026,947)	(1,146,235)	(563,779)	(8,736,961)	(502,327)	(61,452)
August	4,878,879,744	804,630,152	393,535,158	6,077,045,054	(7,008,992)	(1,155,931)	(565,352)	(8,730,275)	(503,729)	(61,623)
September	4,890,302,421	802,684,146	394,303,282	6,087,289,849	(7,013,467)	(1,151,176)	(565,493)	(8,730,136)	(503,854)	(61,639)
October	4,915,887,352	792,629,130	394,486,611	6,103,003,093	(6,839,463)	(1,102,783)	(548,849)	(8,491,095)	(489,024)	(59,825)
November	4,945,742,586	777,878,124	396,548,060	6,120,168,770	(6,060,580)	(953,222)	(485,936)	(7,499,738)	(432,969)	(52,967)
December	4,990,718,593	771,198,558	400,018,423	6,161,935,574	(4,674,524)	(722,338)	(374,675)	(5,771,537)	(333,835)	(40,840)

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Allocation of Fuel Variance - Monthly

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	(1,299,083)	(1,299,083)	(92,865)	(92,865)	(1,391,948)	(208,922)	(208,922)
February	(2,879,367)	(1,580,284)	(205,234)	(112,369)	(1,692,653)	(463,670)	(254,748)
March	(4,773,729)	(1,894,362)	(342,495)	(137,261)	(2,031,623)	(783,052)	(319,382)
April	(6,192,563)	(1,418,834)	(441,412)	(98,917)	(1,517,751)	(1,011,231)	(228,179)
May	(6,816,284)	(623,721)	(485,624)	(44,212)	(667,933)	(1,117,158)	(105,927)
June	(7,060,500)	(244,216)	(504,357)	(18,733)	(262,949)	(1,154,316)	(37,158)
July	(7,026,947)	33,553	(502,327)	2,030	35,583	(1,146,235)	8,081
August	(7,008,992)	17,955	(503,729)	(1,402)	16,553	(1,155,931)	(9,696)
September	(7,013,467)	(4,475)	(503,854)	(125)	(4,600)	(1,151,176)	4,755
October	(6,839,463)	174,004	(489,024)	14,830	188,834	(1,102,783)	48,393
November	(6,060,580)	778,883	(432,969)	56,055	834,938	(953,222)	149,561
December	(4,674,524)	1,386,056	(333,835)	99,134	1,485,190	(722,338)	230,884
		(4,674,524)		(333,835)	(5,008,359)		(722,338)

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Load Variation - Utility

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate [2]	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J)**
											(to page 10)
January	574,800,000	567,548,424	(7,251,576)	54.17	0.08805	14,981	0	928	0.00841	(8)	14,973
February	518,600,000	537,906,741	19,306,741	54.73	0.08805	(22,724)	0	7,253	0.00841	(61)	(22,785)
March	524,700,000	532,869,039	8,169,039	55.46	0.08805	(149)	0	0	0.00841	0	(149)
April	429,200,000	451,710,468	22,510,468	55.46	0.08805	(411)	0	0	0.00841	0	(411)
May	358,700,000	381,600,871	22,900,871	55.46	0.08805	(418)	0	0	0.00841	0	(418)
June	298,400,000	310,533,933	12,133,933	54.49	0.08805	(18,904)	0	0	0.00841	0	(18,904)
July	293,400,000	284,654,277	(8,745,723)	54.49	0.08805	13,625	0	0	0.00841	0	13,625
August	287,000,000	264,188,089	(22,811,911)	54.49	0.08805	35,540	0	0	0.00841	0	35,540
September	297,700,000	285,046,055	(12,653,945)	54.49	0.08805	19,714	0	364,212	0.00841	(3,063)	16,651
October	360,200,000	370,753,163	10,553,163	54.56	0.08805	(15,269)	0	6,332	0.00841	(53)	(15,322)
November	439,300,000	422,560,646	(16,739,354)	54.56	0.08805	24,219	0	1,334	0.00841	(11)	24,208
December	543,800,000	580,955,987	37,155,987	58.98	0.08805	206,923	0	10,841	0.00841	(91)	206,832
	4,925,800,000	4,990,327,693	64,527,693			257,127	0	390,900		(3,287)	253,840

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Load Variation - Industrial

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh) **(B - A)**	Cost of Service No. 6 Fuel Cost ($)	Firm Energy Rate ($/kWh)	Load Variation ($) **C x {(D/O[1]) - E} (to page 11)**
January	78,300,000	64,661,303	(13,638,697)	54.17	0.03676	(671,353)
February	70,900,000	64,524,850	(6,375,150)	54.73	0.03676	(319,478)
March	76,600,000	75,618,369	(981,631)	55.46	0.03676	(50,330)
April	75,600,000	68,492,990	(7,107,010)	55.46	0.03676	(364,389)
May	69,500,000	75,131,721	5,631,721	55.46	0.03676	288,748
June	73,800,000	72,593,859	(1,206,141)	54.49	0.03676	(59,984)
July	77,500,000	71,183,392	(6,316,608)	54.49	0.03676	(314,138)
August	77,900,000	72,987,173	(4,912,827)	54.49	0.03676	(244,325)
September	73,000,000	56,815,786	(16,184,214)	54.49	0.03676	(804,874)
October	74,400,000	49,072,646	(25,327,354)	54.56	0.03676	(1,262,396)
November	74,100,000	46,331,086	(27,768,914)	54.56	0.03676	(1,384,091)
December	72,700,000	53,785,383	(18,914,617)	58.98	0.03676	(1,075,467)
	894,300,000	771,198,558	(123,101,442)			(6,262,077)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Summary of Utility Customer

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)			
	(from page 8)	(from page 7)					(to page 12)
Opening Balance [3]							(13,541,887)
January	14,973	(1,391,948)	104,050	(1,272,925)	(82,165)	164,589	(14,732,388)
February	(22,785)	(1,692,653)	102,324	(1,613,114)	(89,389)	155,995	(16,278,896)
March	(149)	(2,031,623)	100,826	(1,930,946)	(98,772)	154,532	(18,154,082)
April	(411)	(1,517,751)	101,241	(1,416,921)	(110,150)	130,996	(19,550,157)
May	(418)	(667,933)	99,708	(568,643)	(118,621)	110,664	(20,126,757)
June	(18,904)	(262,949)	100,834	(181,019)	(122,119)	90,055	(20,339,840)
July	13,625	35,583	119,807	169,015	(123,412)	990,597	(19,303,640)
August	35,540	16,553	182,434	234,527	(117,125)	919,375	(18,266,863)
September	16,651	(4,600)	180,937	192,988	(110,834)	993,228	(17,191,481)
October	(15,322)	188,834	174,219	347,731	(104,309)	1,290,243	(15,657,816)
November	24,208	834,938	191,024	1,050,170	(95,004)	1,470,516	(13,232,134)
December	206,832	1,485,190	201,464	1,893,486	(80,286)	2,021,765	(9,397,169)
Year to date	253,840	(5,008,359)	1,658,868	(3,095,651)	(1,252,186)	8,492,555	4,144,718
Hydraulic allocation (from page 4)							(5,262,203)
Total	253,840	(5,008,359)	1,658,868	(3,095,651)	(1,252,186)	8,492,555	(14,659,372)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is 0.029 cents per kWh effective January 1, 2007 to June 30, 2007 and 0.348 per kWh effective July 1, 2007.

(3) In accordance with Board Order P.U. 8 (2007), the December 31, 2006 Hydraulic Variation balance was allocated to the Industrial and Utility Customers as detailed in Schedule A of this report. This resulted in an adjustment of $5,726,000 to the opening balance due to Utility Customer.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Summary of Industrial Customers

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance						(14,406,474)
January	(671,353)	(208,922)	(880,275)	(87,411)	1,293,226	(14,080,934)
February	(319,478)	(254,748)	(574,226)	(85,436)	1,291,104	(13,449,492)
March	(50,330)	(319,382)	(369,712)	(81,605)	1,512,367	(12,388,442)
April	(364,389)	(228,179)	(592,568)	(75,167)	1,369,860	(11,686,317)
May	288,748	(105,927)	182,821	(70,907)	1,502,634	(10,071,769)
June	(59,984)	(37,158)	(97,142)	(61,110)	1,451,877	(8,778,144)
July	(314,138)	8,081	(306,057)	(53,261)	1,423,668	(7,713,794)
August	(244,325)	(9,696)	(254,021)	(46,803)	1,459,743	(6,554,875)
September	(804,874)	4,755	(800,119)	(39,772)	1,136,316	(6,258,450)
October	(1,262,396)	48,393	(1,214,003)	(37,973)	981,453	(6,528,973)
November	(1,384,091)	149,561	(1,234,530)	(39,615)	926,622	(6,876,496)
December	(1,075,467)	230,884	(844,583)	(41,724)	1,075,708	(6,687,095)
Year to date	(6,262,077)	(722,338)	(6,984,415)	(720,784)	15,424,578	7,719,379
Hydraulic allocation - page 4						(758,949)
2003 industrial plan balance Note 2						(1,382,924)
Total	(6,262,077)	(722,338)	(6,984,415)	(720,784)	15,424,578	(8,828,968)

(1) The RSP adjustment rate for Industrial Customers is 2.000 cents per kWh effective January 1, 2007.

(2) The balance of the December 2003 Plan related to Industrial customers will be recovered during 2008 as a component of the Current Plan in accordance with the Section E of the Rate Stabilization Plan Rules.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Overall Summary

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($) (A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2006 (1)	0	(13,541,887)	(14,406,474)	(27,948,361)
January	(9,017,357)	(14,732,388)	(14,080,934)	(37,830,679)
February	(17,941,415)	(16,278,896)	(13,449,492)	(47,669,803)
March	(22,647,538)	(18,154,082)	(12,388,442)	(53,190,062)
April	(26,758,415)	(19,550,157)	(11,686,317)	(57,994,889)
May	(27,941,824)	(20,126,757)	(10,071,769)	(58,140,350)
June	(24,023,271)	(20,339,840)	(8,778,144)	(53,141,255)
July	(14,511,411)	(19,303,640)	(7,713,794)	(41,528,845)
August	(11,633,702)	(18,266,863)	(6,554,875)	(36,455,440)
September	(11,010,192)	(17,191,481)	(6,258,450)	(34,460,123)
October	(9,542,101)	(15,657,816)	(6,528,973)	(31,728,890)
November	(10,206,408)	(13,232,134)	(6,876,496)	(30,315,038)
December	(14,820,468)	(14,659,372)	(8,828,968)	(38,308,808)

(1) In accordance with Board Order P.U. 8 (2007), the December 31, 2006 Hydraulic Variation balance was allocated to the Industrial and Utility Customers as detailed in Schedule A of this report. This resulted in an adjustment of $5,726,000 to the current plan opening utility balance and a reduction of the hydraulic balance to 0.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

Recovery of December 2003 Balance

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date
	Recovery [1]	Financing Charges	Total To Date	Recovery [2]	Financing Charges	Total To Date	Due From (To) Customers
	($)	($)	($)	($)	($)	($)	($)
			(A + B)			**(D + E)**	**(C + F)**
Opening Balance [3] [4]			34,393,834.05			7,144,242.96	41,538,077.01
January	(2,576,674.06)	208,684.59	32,025,844.58	(745,993.86)	43,347.69	6,441,596.79	38,467,441.37
February	(2,442,129.53)	194,316.81	29,778,031.86	(736,593.78)	39,084.39	5,744,087.40	35,522,119.26
March	(2,419,225.44)	180,678.21	27,539,484.63	(863,002.68)	34,852.25	4,915,936.97	32,455,421.60
April	(2,050,765.52)	167,095.82	25,655,814.93	(783,103.27)	29,827.45	4,162,661.15	29,818,476.08
May	(1,732,467.95)	155,666.66	24,079,013.64	(858,888.60)	25,256.95	3,329,029.50	27,408,043.14
June	(1,409,824.06)	146,099.42	22,815,289.00	(832,875.91)	20,198.89	2,516,352.48	25,331,641.48
July	(1,477,355.70)	138,431.77	21,476,365.07	(811,381.30)	15,267.97	1,720,239.15	23,196,604.22
August	(1,371,136.18)	130,307.85	20,235,536.74	(834,554.27)	10,437.55	896,122.43	21,131,659.17
September	(1,481,279.29)	122,779.12	18,877,036.57	(638,450.06)	5,437.22	263,109.59	19,140,146.16
October	(1,924,241.78)	114,536.42	17,067,331.21	(537,998.83)	1,596.42	(273,292.82)	16,794,038.39
November	(2,193,096.68)	103,556.03	14,977,790.56	(507,122.64)	(1,658.20)	(782,073.66)	14,195,716.90
December	(3,015,217.84)	90,877.74	12,053,450.46	(596,105.35)	(4,745.23)	(1,382,924.24)	10,670,526.22
Plan Expiry [5]						1,382,924.24	
Total	(24,093,414.03)	1,753,030.44	12,053,450.46	(8,746,070.55)	218,903.35	0.00	12,053,450.46

(1) The recovery rate for Utility is 0.454 cents per kWh effective January 1, 2007 to June 30, 2007 and 0.519 per kWh effective July 1, 2007.

(2) The recovery rate for Industrial Customers is 1.215 cents per kWh effective January 1, 2007.

(3) In accordance with Board Order P.U. 8 (2007), the December 31, 2006 Hydraulic Variation balance was allocated to the Industrial and Utility Customers as detailed in Schedule A of this report. This resulted in a reduction of $19,499,507 to the opening Utility Customer balance and a reduction of $2,085,787 to the Industrial Customers balance.

(4) In accordance with Board Order P.U. 1 (2007) AUR Resources was granted exclusion from the Historical Plan Balance effective January 20,2006. The 2007 opening balance has been increased by $129,103.36 to reflect a refund of $125,726.59 to AUR Resources for amounts collected from January 20 to December 31, 2006 and the associated financing charges of $3,376.77.

(5) The balance in plan for industrial customers will be recovered during 2008 as a component of the current plan in accordance with Section E of the Rate Stabilization Plan rules.

NEWFOUNDLAND AND LABRADOR HYDRO **December 2007**

RATE STABILIZATION PLAN

RATE STABILIZATION PLAN, DECEMBER 31, 2006 ADJUSTMENTS'

Line No.		Balance December 2006 RSP Report	Adjustment	Revised Balance	Comments - Adjustment
1	Hydraulic Production Variation Balance	(15,977,692)	15,977,692	-	Line 6
2	Summary of Utility Customer	(19,267,887)	5,726,000	(13,541,887)	Hydraulic allocation moved to Historic Plan
3	Summary of Industrial Customers	(14,406,474)		(14,406,474)	No Change
4	Recovery of December 2003 Balance - Utility	53,893,341	(19,499,507)	34,393,834	Line 2 Adjustment plus Line 7 Net
5	Recovery of December 2003 Balance - Industrial Customers	9,100,931	(2,085,787)	7,015,143	Line 8 Net

Hydraulic Production Variation Balance Adjustment

6	Balance December 31, 2006	15,977,692				
	Allocation:					
		12 month (Dec 2006) kWh	% of kWh to total	Allocation	Reallocate Rural	Net
7	Utility	4,616,864,312	80.5%	12,855,149	918,358	13,773,507
8	Industrial	749,100,463	13.1%	2,085,787		2,085,787
9	Rural	372,345,900	6.5%	1,036,756	(1,036,756)	-
10		5,738,310,675	100.0%	15,977,692	(118,398)	15,859,294
11	Labrador Interconnected (write-off to income)				118,398	118,398
12					-	15,977,692

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RATE STABILIZATION REPORT

Newfoundland and Labrador Hydro

December 2008

newfoundland labrador hydro
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Newfoundland and Labrador Hydro
Rate Stabilization Plan Report
December 31, 2008

Newfoundland and Labrador Hydro
Rate Stabilization Plan
December 31, 2008

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was approved by Board Order No. P.U. 8 (2007) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.529% per annum. Holyrood's operating efficiency is 630 kWh/barrel.

	2007 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	427,100,000	54.17	574,800,000	78,300,000
February	388,680,000	54.73	518,600,000	70,900,000
March	415,080,000	55.46	524,700,000	76,600,000
April	355,520,000	55.46	429,200,000	75,600,000
May	324,240,000	55.46	358,700,000	69,500,000
June	328,500,000	54.49	298,400,000	73,800,000
July	386,790,000	54.49	293,400,000	77,500,000
August	379,140,000	54.49	287,000,000	77,900,000
September	363,560,000	54.49	297,700,000	73,000,000
October	340,510,000	54.56	360,200,000	74,400,000
November	364,390,000	54.56	439,300,000	74,100,000
December	398,560,000	58.98	543,800,000	72,700,000
Total	4,472,070,000		4,925,800,000	894,300,000

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Plan Highlights
December 31, 2008

	Actual	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,771. GWh	4,472.1 GWh	299. GWh	$ (26,383,315)	Page 4
No 6 fuel cost - Current month	$ 59.25	$ 58.98	$ 0.27	$ 27,745,268	Page 5
Year-to-date customer load - Utility	4,959.7 GWh	4,925.8 GWh	33.9 GWh	$ (26,253)	Page 8
Year-to-date customer load - Industrial	690.2 GWh	894.3 GWh	-204.12 GWh	$ (10,315,182)	Page 9
				$ (8,979,482)	
Rural rates					
Rural Rate Alteration (RRA) [1]	$ (245,481)				
Less : RRA to utility customer	$ (218,723)				Page 10
RRA to Labrador interconnected	(26,758)				
Fuel variance to Labrador interconnected	$ 205,395				Page 6
Net Labrador interconnected	$ 178,637				
Current plan summary					
One year recovery					
Due (to) from utility customer	$ (10,329,890)				Page 10
Due (to) from Industrial customers	$ (11,994,442)				Page 11
Sub total	(22,324,333)				
Four year recovery					
Hydraulic balance	$ (30,902,837)				Page 4
Total plan balance	$ (53,227,170)				

[1] Beginning January 2008, the RRA includes a monthly amount of $32,433. This amount relates to the phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations which received final approval in Order No. P.U. 33 (2007) issued December 21, 2007.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2008

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance							(14,820,468)
January	427,100,000	477,077,144	(49,977,144)	54.17	(4,297,241)	(89,923)	(19,207,632)
February	388,680,000	437,972,596	(49,292,596)	54.73	(4,282,196)	(116,542)	(23,606,370)
March	415,080,000	503,744,129	(88,664,129)	55.46	(7,805,258)	(143,232)	(31,554,860)
April	355,520,000	390,350,281	(34,830,281)	55.46	(3,066,170)	(191,459)	(34,812,489)
May	324,240,000	347,865,812	(23,625,812)	55.46	(2,079,821)	(211,225)	(37,103,535)
June	328,500,000	358,079,359	(29,579,359)	54.49	(2,558,380)	(225,126)	(39,887,041)
July	386,790,000	353,156,726	33,633,274	54.49	2,909,011	(242,015)	(37,220,045)
August	379,140,000	354,560,633	24,579,367	54.49	2,125,920	(225,833)	(35,319,958)
September	363,560,000	355,244,466	8,315,534	54.49	719,228	(214,304)	(34,815,034)
October	340,510,000	395,269,826	(54,759,826)	54.56	(4,742,375)	(211,240)	(39,768,649)
November	364,390,000	357,071,095	7,318,905	54.56	633,840	(241,296)	(39,376,105)
December	398,560,000	440,644,093	(42,084,093)	58.98	(3,939,873)	(238,915)	(43,554,893)
	4,472,070,000	4,771,036,160	(298,966,160)		(26,383,315)	(2,351,110)	(43,554,893)
Hydraulic Allocation [2]					10,300,946	2,351,110	12,652,056
Hydraulic variation at year end					(16,082,369)	-	(30,902,837)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers.

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	4,959,752,852	81.8%	10,352,198	765,618	11,117,816
Industrial	690,182,871	11.4%	1,440,578		1,440,578
Rural	411,682,211	6.8%	859,280	(859,280)	-
Total	6,061,617,934	100.0%	12,652,056	(93,662)	12,558,394
Labrador Interconnected (write-off to income)				93,662	93,662
				-	12,652,056

Newfoundland and Labrador Hydro
Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2008

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	315,296	1,267	314,029	54.17	69.17	15.00	4,710,435
February	278,439	3,118	275,321	54.73	70.34	15.61	4,297,761
March	231,653	1,240	230,413	55.46	71.09	15.63	3,601,351
April	169,327	583	168,744	55.46	71.52	16.06	2,710,036
May	134,027	329	133,698	55.46	71.52	16.06	2,147,194
June	26,533	258	26,275	54.49	79.33	24.84	652,660
July	339	337	2	54.49	89.89	35.40	55
August	0	408	(408)	54.49	89.89	35.40	(14,443)
September	135	369	(234)	54.49	89.95	35.46	(8,296)
October	102,573	256	102,317	54.56	90.06	35.50	3,632,242
November	215,331	1	215,330	54.56	82.18	27.62	5,947,416
December	255,028	2	255,026	58.98	59.25	0.27	68,857
	1,728,681	8,168	1,720,513	55.47	71.59	16.12	27,745,268

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Allocation of Fuel Variance – Year-to-Date
December 31, 2008

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 88.58%)**	**(G X 11.42%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	5,013,930,402	757,617,115	402,636,925	6,174,184,442	3,825,249	578,004	307,182	4,710,435	273,699	33,483
February	5,010,687,516	745,479,713	405,359,469	6,161,526,698	7,325,661	1,089,897	592,638	9,008,196	528,040	64,598
March	5,037,540,915	725,101,495	407,923,188	6,170,565,598	10,294,212	1,481,744	833,591	12,609,547	742,730	90,861
April	5,021,579,114	715,981,053	407,769,144	6,145,329,311	12,518,206	1,784,857	1,016,520	15,319,583	905,719	110,801
May	5,010,732,890	698,078,679	407,998,011	6,116,809,580	14,308,334	1,993,390	1,165,053	17,466,777	1,038,062	126,991
June	4,998,998,529	681,489,225	409,750,041	6,090,237,795	14,872,825	2,027,540	1,219,072	18,119,437	1,086,193	132,879
July	4,991,379,950	667,970,308	410,477,609	6,069,827,867	14,900,137	1,994,008	1,225,347	18,119,492	1,091,784	133,563
August	5,008,640,188	651,211,542	411,239,047	6,071,090,777	14,936,636	1,942,026	1,226,387	18,105,049	1,092,711	133,676
September	5,010,044,656	648,919,073	411,961,865	6,070,925,594	14,934,385	1,934,355	1,228,013	18,096,753	1,094,160	133,853
October	5,012,364,843	661,618,615	412,275,567	6,086,259,025	17,895,007	2,362,093	1,471,895	21,728,995	1,311,458	160,437
November	5,004,210,952	684,182,648	412,005,514	6,100,399,114	22,703,203	3,104,013	1,869,195	27,676,411	1,665,453	203,742
December	4,959,752,852	690,182,871	411,682,211	6,061,617,934	22,701,806	3,159,108	1,884,354	27,745,268	1,678,959	205,395

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Allocation of Fuel Variance – Monthly
December 31, 2008

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	3,825,249	3,825,249	273,699	273,699	4,098,948	578,004	578,004
February	7,325,661	3,500,412	528,040	254,341	3,754,753	1,089,897	511,893
March	10,294,212	2,968,551	742,730	214,690	3,183,241	1,481,744	391,847
April	12,518,206	2,223,994	905,719	162,989	2,386,983	1,784,857	303,113
May	14,308,334	1,790,128	1,038,062	132,343	1,922,471	1,993,390	208,533
June	14,872,825	564,491	1,086,193	48,131	612,622	2,027,540	34,150
July	14,900,137	27,312	1,091,784	5,591	32,903	1,994,008	(33,532)
August	14,936,636	36,499	1,092,711	927	37,426	1,942,026	(51,982)
September	14,934,385	(2,251)	1,094,160	1,449	(802)	1,934,355	(7,671)
October	17,895,007	2,960,622	1,311,458	217,298	3,177,920	2,362,093	427,738
November	22,703,203	4,808,196	1,665,453	353,995	5,162,191	3,104,013	741,920
December	22,701,806	(1,397)	1,678,959	13,506	12,109	3,159,108	55,095
		22,701,806		1,678,959	24,380,765		3,159,108

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Load Variance – Utility
December 31, 2008

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J)**
											(to page 10)
January	574,800,000	590,752,934	15,952,934	54.17	0.08805	(32,957)	0	8,227	0.00841	(69)	(33,026)
February	518,600,000	534,671,108	16,071,108	54.73	0.08805	(18,915)	0	0	0.00841	0	(18,915)
March	524,700,000	559,719,845	35,019,845	55.46	0.08805	(639)	0	2,593	0.00841	(22)	(661)
April	429,200,000	435,748,667	6,548,667	55.46	0.08805	(120)	0	0	0.00841	0	(120)
May	358,700,000	370,754,647	12,054,647	55.46	0.08805	(220)	0	0	0.00841	0	(220)
June	298,400,000	298,799,572	399,572	54.49	0.08805	(623)	0	0	0.00841	0	(623)
July	293,400,000	276,980,859	(16,419,141)	54.49	0.08805	25,580	0	54,839	0.00841	(461)	25,119
August	287,000,000	281,448,327	(5,551,673)	54.49	0.08805	8,649	0	0	0.00841	0	8,649
September	297,700,000	286,814,735	(10,885,265)	54.49	0.08805	16,959	0	0	0.00841	0	16,959
October	360,200,000	373,078,329	12,878,329	54.56	0.08805	(18,633)	0	1,353	0.00841	(11)	(18,644)
November	439,300,000	414,408,089	(24,891,911)	54.56	0.08805	36,014	0	0	0.00841	0	36,014
December	543,800,000	536,495,923	(7,304,077)	58.98	0.08805	(40,677)	0	12,805	0.00841	(108)	(40,785)
	4,925,800,000	4,959,673,035	33,873,035			(25,582)	0	79,817		(671)	(26,253)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Load Variance – Industrial
December 31, 2008

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh)	($)	($/kWh)	($)
			(B - A)			**C x {(D/O[1]) - E}**
						(to page 11)
January	78,300,000	51,079,860	(27,220,140)	54.17	0.03676	(1,339,888)
February	70,900,000	52,387,448	(18,512,552)	54.73	0.03676	(927,720)
March	76,600,000	55,240,151	(21,359,849)	55.46	0.03676	(1,095,157)
April	75,600,000	59,372,548	(16,227,452)	55.46	0.03676	(832,010)
May	69,500,000	57,229,347	(12,270,653)	55.46	0.03676	(629,138)
June	73,800,000	56,004,405	(17,795,595)	54.49	0.03676	(885,012)
July	77,500,000	57,664,475	(19,835,525)	54.49	0.03676	(986,462)
August	77,900,000	56,228,407	(21,671,593)	54.49	0.03676	(1,077,773)
September	73,000,000	54,523,317	(18,476,683)	54.49	0.03676	(918,884)
October	74,400,000	61,772,188	(12,627,812)	54.56	0.03676	(629,410)
November	74,100,000	68,895,119	(5,204,881)	54.56	0.03676	(259,428)
December	72,700,000	59,785,606	(12,914,394)	58.98	0.03676	(734,300)
	894,300,000	690,182,871	(204,117,129)			(10,315,182)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Summary of Utility Customer
December 31, 2008

	A	B	C	D	E	F	G	H
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Transfer from Old Plan	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)		($)
				(A + B + C)				
	(from page 8)	**(from page 7)**						**(to page 12)**
Opening Balance [3]								(14,652,165)
January	(33,026)	4,098,948	126,133	4,192,055	(88,902)	2,055,849		(8,493,163)
February	(18,915)	3,754,753	42,481	3,778,319	(51,532)	1,860,655		(2,905,721)
March	(661)	3,183,241	42,112	3,224,692	(17,630)	1,947,834		2,249,175
April	(120)	2,386,983	59,898	2,446,761	13,647	1,516,405		6,225,988
May	(220)	1,922,471	64,030	1,986,281	37,776	1,290,226		9,540,271
June	(623)	612,622	57,595	669,594	57,886	1,039,823		11,307,574
2003 Utility plan balance [4]							(2,238,025)	9,069,549
July	25,119	32,903	8,966	66,988	55,029	(2,083,308)		7,108,258
August	8,649	37,426	(115,302)	(69,227)	43,129	(2,116,491)		4,965,669
September	16,959	(802)	(110,476)	(94,319)	30,129	(2,156,847)		2,744,632
October	(18,644)	3,177,920	(108,416)	3,050,860	16,653	(2,805,559)		3,006,586
November	36,014	5,162,191	(127,946)	5,070,259	18,242	(3,116,349)		4,978,738
December	(40,785)	12,109	(157,798)	(186,474)	30,208	(4,034,546)		787,926
Year to date	(26,253)	24,380,765	(218,723)	24,135,789	144,635	(6,602,308)	(2,238,025)	15,440,091
Hydraulic allocation **(from page 4)**								(11,117,816)
Total	(26,253)	24,380,765	(218,723)	24,135,789	144,635	(6,602,308)	(2,238,025)	(10,329,890)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is $0.348 cents per kWh effective July 1, 2007 to June 30, 2008 and $0.752 effective July 1, 2008.

(3) The December 2007 closing balance of $14,659,375 payable was reduced by $7,210 related to a Rural Rate Alteration adjustment in July 2007.

(4) The balance in plan for utility customers will be recovered as a component of the current plan in accordance with Section E of the Rate Stabilization Plan.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2008

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance						(8,828,968)
January	(1,339,888)	578,004	(761,884)	(53,570)	462,206	(9,182,216)
February	(927,720)	511,893	(415,827)	(55,713)	468,080	(9,185,676)
March	(1,095,157)	391,847	(703,310)	(55,734)	499,003	(9,445,717)
April	(832,010)	303,113	(528,897)	(57,312)	529,906	(9,502,020)
May	(629,138)	208,533	(420,605)	(57,654)	514,376	(9,465,903)
June	(885,012)	34,150	(850,862)	(57,434)	502,326	(9,871,873)
July	(986,462)	(33,532)	(1,019,994)	(59,898)	510,304	(10,441,461)
August	(1,077,773)	(51,982)	(1,129,755)	(63,354)	497,280	(11,137,290)
September	(918,884)	(7,671)	(926,555)	(67,576)	482,977	(11,648,444)
October	(629,410)	427,738	(201,672)	(70,677)	551,743	(11,369,050)
November	(259,428)	741,920	482,492	(68,982)	608,393	(10,347,147)
December	(734,300)	55,095	(679,205)	(62,782)	535,270	(10,553,864)
Year to date	(10,315,182)	3,159,108	(7,156,074)	(730,686)	6,161,864	(1,724,896)
Hydraulic allocation - page 4						(1,440,578)
						0
Total	(10,315,182)	3,159,108	(7,156,074)	(730,686)	6,161,864	(11,994,442)

(1) The RSP adjustment rate for Industrial Customers excluding Teck Cominco is 0.785 cents per kWh effective January 1, 2008. The rate for Teck Cominco is 2.000 cents per kWh.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Overall Summary
December 31, 2008

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($) (A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2007	(14,820,468)	(14,652,165)	(8,828,968)	(38,301,602)
January	(19,207,632)	(8,493,163)	(9,182,216)	(36,883,012)
February	(23,606,370)	(2,905,721)	(9,185,676)	(35,697,768)
March	(31,554,860)	2,249,175	(9,445,717)	(38,751,403)
April	(34,812,489)	6,225,988	(9,502,020)	(38,088,522)
May	(37,103,535)	9,540,271	(9,465,903)	(37,029,168)
June	(39,887,041)	11,307,574	(9,871,873)	(38,451,341)
July	(37,220,045)	7,108,258	(10,441,461)	(40,553,249)
August	(35,319,958)	4,965,669	(11,137,290)	(41,491,580)
September	(34,815,034)	2,744,632	(11,648,444)	(43,718,847)
October	(39,768,649)	3,006,586	(11,369,050)	(48,131,114)
November	(39,376,105)	4,978,738	(10,347,147)	(44,744,515)
December	(30,902,837)	(10,329,890)	(11,994,442)	(53,227,170)

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Recovery of December 2003 Balance
December 31, 2008

	A	B	C	G
	Utility Customer			Total To Date
	Recovery [1]	Financing Charges	Total To Date	Due From (To) Customers
	($)	($)	($)	($)
			(A + B)	**(C + F)**
Opening Balance			12,053,450.46	12,053,450.46
January	(3,066,050.43)	73,134.31	9,060,534.34	9,060,534.34
February	(2,774,943.05)	54,974.79	6,340,566.08	6,340,566.08
March	(2,904,959.45)	38,471.38	3,474,078.01	3,474,078.01
April	(2,261,535.58)	21,078.97	1,233,621.40	1,233,621.40
May	(1,924,216.62)	7,485.00	(683,110.22)	(683,110.22)
June	(1,550,769.78)	(4,144.77)	(2,238,024.77)	(2,238,024.77)
Plan expiry [2]				2,238,024.77
July	0.00			0.00
August	0.00	0.00	0.00	0.00
September	0.00	0.00	0.00	0.00
October	0.00	0.00	0.00	0.00
November	0.00	0.00	0.00	0.00
December	0.00	0.00	0.00	0.00
Total	(14,482,474.91)	190,999.68	(2,238,024.77)	0.00

(1) The recovery rate for Utility is 0.519 cents per kWh effective July 1, 2007 to June 30, 2008.

(2) The balance in plan for utility customers will be included as a component of the current plan in accordance with Section E of the Rate Stabilization Plan.

RATE STABILIZATION REPORT

Newfoundland and Labrador Hydro

December 2009

newfoundland labrador hydro
a nalcor energy company

Newfoundland and Labrador Hydro
Rate Stabilization Plan Report
December 31, 2009

Newfoundland and Labrador Hydro
Rate Stabilization Plan
December 31, 2009

Summary of Key Facts

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro's utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year Cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro's Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study was approved by Board Order No. P.U. 8 (2007) and is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 7.529% per annum. Holyrood's operating efficiency is set, for RSP purposes, at 630 kWh/barrel regardless of the actual conversion rate experienced.

	2007 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	($Can/bbl.)	(kWh)	(kWh)
January	427,100,000	54.17	574,800,000	78,300,000
February	388,680,000	54.73	518,600,000	70,900,000
March	415,080,000	55.46	524,700,000	76,600,000
April	355,520,000	55.46	429,200,000	75,600,000
May	324,240,000	55.46	358,700,000	69,500,000
June	328,500,000	54.49	298,400,000	73,800,000
July	386,790,000	54.49	293,400,000	77,500,000
August	379,140,000	54.49	287,000,000	77,900,000
September	363,560,000	54.49	297,700,000	73,000,000
October	340,510,000	54.56	360,200,000	74,400,000
November	364,390,000	54.56	439,300,000	74,100,000
December	398,560,000	58.98	543,800,000	72,700,000
Total	4,472,070,000		4,925,800,000	894,300,000

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Plan Highlights
December 31, 2009

	Actual	Cost of Service	Variance	Year-to-Date Due (To) From customers	Reference
Hydraulic production year-to-date	4,606.2 GWh	4,472.1 GWh	-134.2 GWh	$ (12,005,544)	Page 4
No 6 fuel cost - Current month	$ 67.33	$ 58.98	$ 8.35	$ (4,523,041)	Page 5
Year-to-date customer load - Utility	5,111.2 GWh	4,925.8 GWh	185.4 GWh	$ (152,989)	Page 8
Year-to-date customer load - Industrial	384.8 GWh	894.3 GWh	-(509.5) GWh	$ (25,874,401)	Page 9
				$ (42,555,975)	
Rural rates					
Rural Rate Alteration (RRA) [1]	$ (1,152,150)				
Less : RRA to utility customer	$ (1,026,565)				Page 10
RRA to Labrador interconnected	(125,585)				
Fuel variance to Labrador interconnected	$ (34,638)				Page 6
Net Labrador interconnected	$ (160,223)				
Current plan summary [2]					
One year recovery					
Due (to) from utility customer [2]	$ (52,940,017)				Page 10
Due (to) from Industrial customers [2]	$ (36,874,648)				Page 11
Sub total	(89,814,665)				
Four year recovery					
Hydraulic balance	$ (32,181,286)				Page 4
Total plan balance	$ (121,995,951)				

[1] Beginning January 2009, the RRA includes a monthly credit of $5,766. This amount relates to the phase in of the application of the credit from secondary energy sales to CFB Goose Bay to the Rural deficit as stated in Section B, Clause 1.3(b) of the approved Rate Stabilization Plan Regulations which received final approval in Order No. P.U. 34 (2008) issued December 22, 2008.

[2] Disposition of the load variation is one of the issues to be considered by the Public Utilities Board in a pending hearing. This may impact the balances owing to customers in the current plan.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Net Hydraulic Production Variation
December 31, 2009

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production [3] (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance							(30,902,837)
January	427,100,000	511,622,865	(84,522,865)	54.17	(7,267,625)	(187,503)	(38,357,965)
February	388,680,000	444,266,356	(55,586,356)	54.73	(4,828,954)	(232,737)	(43,419,656)
March	415,080,000	466,091,401	(51,011,401)	55.46	(4,490,623)	(263,449)	(48,173,728)
April	355,520,000	337,983,715	17,536,285	55.46	1,543,750	(292,294)	(46,922,272)
May	324,240,000	332,602,567	(8,362,567)	55.46	(736,171)	(284,701)	(47,943,144)
June	328,500,000	324,109,389	4,390,611	54.49	379,753	(290,895)	(47,854,286)
July	386,790,000	330,916,410	55,873,590	54.49	4,832,622	(290,356)	(43,312,020)
August	379,140,000	320,246,634	58,893,366	54.49	5,093,809	(262,796)	(38,481,007)
September	363,560,000	312,369,147	51,190,853	54.49	4,427,603	(233,484)	(34,286,888)
October	340,510,000	393,718,444	(53,208,444)	54.56	(4,608,020)	(208,036)	(39,102,944)
November	364,390,000	384,679,928	(20,289,928)	54.56	(1,757,172)	(237,257)	(41,097,373)
December	398,560,000	447,636,721	(49,076,721)	58.98	(4,594,516)	(249,358)	(45,941,247)
	4,472,070,000	4,606,243,577	(134,173,577)		(12,005,544)	(3,032,866)	(45,941,247)
Hydraulic Allocation [2]					10,727,095	3,032,866	13,759,961
Hydraulic variation at year end					(1,278,449)	-	(32,181,286)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers.

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility	5,111,194,217	86.5%	11,897,543	861,378	12,758,921
Industrial	384,777,985	6.5%	895,664		895,664
Rural	415,318,157	7.0%	966,754	(966,754)	-
Total	5,911,290,359	100.0%	13,759,961	(105,376)	13,654,585
Labrador Inteconnected (write-off to income)				105,376	105,376
				-	13,759,961

(3) Restated February to August to include the impact of hydraulic production for storing surplus generation energy in Hydro's reservoirs.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
No. 6 Fuel Variation
December 31, 2009

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	310,422	690	309,732	54.17	52.20	(1.97)	(610,172)
February	256,185	2,424	253,761	54.73	47.68	(7.05)	(1,789,015)
March	238,388	1,139	237,249	55.46	47.70	(7.76)	(1,841,052)
April	163,842	0	163,842	55.46	46.57	(8.89)	(1,456,555)
May	59,632	0	59,632	55.46	46.46	(9.00)	(536,691)
June	23,342	0	23,342	54.49	46.29	(8.20)	(191,404)
July	0	0	0	54.49	46.29	(8.20)	0
August	0	2	(2)	54.49	46.29	(8.20)	16
September	799	8	791	54.49	46.29	(8.20)	(6,489)
October	75,309	0	75,309	54.56	46.24	(8.32)	(626,570)
November	165,711	0	165,711	54.56	57.71	3.15	521,990
December	241,076	10	241,066	58.98	67.33	8.35	2,012,901
	1,534,707	4,273	1,530,434	55.47	52.51	(2.96)	(4,523,041)

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Allocation of Fuel Variance – Year-to-Date
December 31, 2009

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 89.10%)**	**(G X 10.90%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	5,005,151,512	689,749,882	414,470,780	6,109,372,174	(499,888)	(68,889)	(41,395)	(610,172)	(36,883)	(4,512)
February	5,010,856,454	680,296,222	412,537,210	6,103,689,886	(1,969,625)	(267,405)	(162,157)	(2,399,187)	(144,482)	(17,675)
March	5,003,195,483	666,365,030	412,541,893	6,082,102,406	(3,488,061)	(464,567)	(287,611)	(4,240,239)	(256,261)	(31,350)
April	4,989,239,677	625,317,933	413,558,514	6,028,116,124	(4,715,017)	(590,949)	(390,828)	(5,696,794)	(348,228)	(42,600)
May	4,968,395,779	587,975,854	413,195,928	5,969,567,561	(5,188,051)	(613,971)	(431,463)	(6,233,485)	(384,434)	(47,029)
June	4,973,908,918	562,003,055	409,782,881	5,945,694,854	(5,374,782)	(607,298)	(442,809)	(6,424,889)	(394,543)	(48,266)
July	4,987,839,609	535,491,993	408,086,623	5,931,418,225	(5,402,808)	(580,043)	(442,038)	(6,424,889)	(393,856)	(48,182)
August	4,989,721,971	512,632,364	407,951,793	5,910,306,128	(5,424,140)	(557,263)	(443,470)	(6,424,873)	(395,132)	(48,338)
September	4,999,960,523	488,905,941	408,071,177	5,896,937,641	(5,453,094)	(533,214)	(445,054)	(6,431,362)	(396,543)	(48,511)
October	5,041,831,300	457,254,549	412,332,579	5,911,418,428	(6,019,689)	(545,939)	(492,304)	(7,057,932)	(438,643)	(53,661)
November	5,077,674,472	415,239,050	415,532,992	5,908,446,514	(5,616,939)	(459,339)	(459,664)	(6,535,942)	(409,561)	(50,103)
December	5,111,194,217	384,777,985	415,318,157	5,911,290,359	(3,910,845)	(294,414)	(317,782)	(4,523,041)	(283,144)	(34,638)

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Allocation of Fuel Variance – Monthly
December 31, 2009

	A	B	C	D	E	F	G
	Utility					Industrial	
	Fuel Variance		Rural Allocation		Total Fuel Variance Activity for the month	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]		Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		(from page 6)		(to page 10)	(from page 6)	(to page 11)
January	(499,888)	(499,888)	(36,883)	(36,883)	(536,771)	(68,889)	(68,889)
February	(1,969,625)	(1,469,737)	(144,482)	(107,599)	(1,577,336)	(267,405)	(198,516)
March	(3,488,061)	(1,518,436)	(256,261)	(111,779)	(1,630,215)	(464,567)	(197,162)
April	(4,715,017)	(1,226,956)	(348,228)	(91,967)	(1,318,923)	(590,949)	(126,382)
May	(5,188,051)	(473,034)	(384,434)	(36,206)	(509,240)	(613,971)	(23,022)
June	(5,374,782)	(186,731)	(394,543)	(10,109)	(196,840)	(607,298)	6,673
July	(5,402,808)	(28,026)	(393,856)	687	(27,339)	(580,043)	27,255
August	(5,424,140)	(21,332)	(395,132)	(1,276)	(22,608)	(557,263)	22,780
September	(5,453,094)	(28,954)	(396,543)	(1,411)	(30,365)	(533,214)	24,049
October	(6,019,689)	(566,595)	(438,643)	(42,100)	(608,695)	(545,939)	(12,725)
November	(5,616,939)	402,750	(409,561)	29,082	431,832	(459,339)	86,600
December	(3,910,845)	1,706,094	(283,144)	126,417	1,832,511	(294,414)	164,925
		(3,910,845)		(283,144)	(4,193,989)		(294,414)

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Load Variance – Utility
December 31, 2009

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	(kWh)	(kWh)	($/kWh)	($)	($)
			(B - A)			**C x {(D/O[1]) - E}**				**(G - H) x I**	**(F + J)**
											(to page 10)
January	574,800,000	636,159,821	61,359,821	54.17	0.08805	(126,762)	0	0	0.00841	0	(126,762)
February	518,600,000	540,373,649	21,773,649	54.73	0.08805	(25,627)	0	2,401	0.00841	(20)	(25,647)
March	524,700,000	552,059,084	27,359,084	55.46	0.08805	(499)	0	2,383	0.00841	(20)	(519)
April	429,200,000	421,770,620	(7,429,380)	55.46	0.08805	136	0	22,241	0.00841	(187)	(51)
May	358,700,000	347,556,066	(11,143,934)	55.46	0.08805	203	0	2,354,683	0.00841	(19,803)	(19,600)
June	298,400,000	299,536,918	1,136,918	54.49	0.08805	(1,771)	0	4,775,793	0.00841	(40,164)	(41,935)
July	293,400,000	290,190,644	(3,209,356)	54.49	0.08805	5,000	0	775,745	0.00841	(6,524)	(1,524)
August	287,000,000	284,106,434	(2,893,566)	54.49	0.08805	4,508	0	(775,745)	0.00841	6,524	11,032
September	297,700,000	297,053,287	(646,713)	54.49	0.08805	1,008	0	0	0.00841	0	1,008
October	360,200,000	414,950,459	54,750,459	54.56	0.08805	(79,214)	0	0	0.00841	0	(79,214)
November	439,300,000	450,251,261	10,951,261	54.56	0.08805	(15,845)	0	0	0.00841	0	(15,845)
December	543,800,000	570,028,473	26,228,473	58.98	0.08805	146,068	0	0	0.00841	0	146,068
	4,925,800,000	5,104,036,716	178,236,716			(92,795)	0	7,157,501		(60,194)	(152,989)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Load Variance – Industrial
December 31, 2009

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh)	($)	($/kWh)	($)
			(B - A)			**C x {(D/O[1]) - E}**
						(to page 11)
January	78,300,000	50,646,871	(27,653,129)	54.17	0.03676	(1,361,201)
February	70,900,000	42,933,788	(27,966,212)	54.73	0.03676	(1,401,471)
March	76,600,000	41,308,959	(35,291,041)	55.46	0.03676	(1,809,433)
April	75,600,000	18,325,451	(57,274,549)	55.46	0.03676	(2,936,566)
May	69,500,000	19,887,268	(49,612,732)	55.46	0.03676	(2,543,731)
June	73,800,000	30,031,606	(43,768,394)	54.49	0.03676	(2,176,693)
July	77,500,000	31,153,413	(46,346,587)	54.49	0.03676	(2,304,911)
August	77,900,000	33,368,778	(44,531,222)	54.49	0.03676	(2,214,630)
September	73,000,000	30,796,894	(42,203,106)	54.49	0.03676	(2,098,848)
October	74,400,000	30,120,796	(44,279,204)	54.56	0.03676	(2,207,016)
November	74,100,000	26,879,620	(47,220,380)	54.56	0.03676	(2,353,614)
December	72,700,000	29,324,541	(43,375,459)	58.98	0.03676	(2,466,287)
	894,300,000	384,777,985	(509,522,015)			(25,874,401)

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Summary of Utility Customer
December 31, 2009

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)			
	(from page 8)	**(from page 7)**					**(to page 12)**
Opening Balance							(10,329,890)
January	(126,762)	(536,771)	(260,611)	(924,144)	(62,677)	(4,783,922)	(16,100,633)
February	(25,647)	(1,577,336)	(319,568)	(1,922,551)	(97,691)	(4,063,628)	(22,184,503)
March	(519)	(1,630,215)	(207,444)	(1,838,178)	(134,604)	(4,151,502)	(28,308,787)
April	(51)	(1,318,923)	(192,147)	(1,511,121)	(171,764)	(3,171,882)	(33,163,554)
May	(19,600)	(509,240)	(160,450)	(689,290)	(201,220)	(2,631,329)	(36,685,393)
June	(41,935)	(196,840)	(142,567)	(381,342)	(222,589)	(2,288,432)	(39,577,756)
July	(1,524)	(27,339)	(73,949)	(102,812)	(240,138)	(128,025)	(40,048,731)
August	11,032	(22,608)	57,023	45,447	(242,996)	(124,666)	(40,370,946)
September	1,008	(30,365)	67,908	38,551	(244,951)	(130,703)	(40,708,049)
October	(79,214)	(608,695)	71,071	(616,838)	(246,996)	(182,578)	(41,754,461)
November	(15,845)	431,832	75,668	491,655	(253,345)	(198,111)	(41,714,262)
December	146,068	1,832,511	58,501	2,037,080	(253,101)	(250,813)	(40,181,096)
Year to date	(152,989)	(4,193,989)	(1,026,565)	(5,373,543)	(2,372,072)	(22,105,591)	(29,851,206)
Hydraulic allocation **(from page 4)**							(12,758,921)
Total	(152,989)	(4,193,989)	(1,026,565)	(5,373,543)	(2,372,072)	(22,105,591)	(52,940,017)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is 0.752 cents per kwh effective July 1, 2008 to June 30, 2009 and 0.044 cents per kwh effective July 1, 2009.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Summary of Industrial Customers
December 31, 2009

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)
			(A + B)			
	(from page 9)	**(from page 7)**				**(to page 12)**
Opening Balance						(11,994,442)
January	(1,361,201)	(68,889)	(1,430,090)	(72,776)	466,209	(13,031,099)
February	(1,401,471)	(198,516)	(1,599,987)	(79,066)	398,964	(14,311,188)
March	(1,809,433)	(197,162)	(2,006,595)	(86,833)	388,867	(16,015,749)
April	(2,936,566)	(126,382)	(3,062,948)	(97,176)	208,165	(18,967,708)
May	(2,543,731)	(23,022)	(2,566,753)	(115,087)	222,774	(21,426,774)
June	(2,176,693)	6,673	(2,170,020)	(130,007)	296,273	(23,430,528)
July	(2,304,911)	27,255	(2,277,656)	(142,165)	309,768	(25,540,581)
August	(2,214,630)	22,780	(2,191,850)	(154,967)	327,668	(27,559,730)
September	(2,098,848)	24,049	(2,074,799)	(167,219)	301,775	(29,499,973)
October	(2,207,016)	(12,725)	(2,219,741)	(178,991)	303,811	(31,594,894)
November	(2,353,614)	86,600	(2,267,014)	(191,702)	279,156	(33,774,454)
December	(2,466,287)	164,925	(2,301,362)	(204,927)	301,759	(35,978,984)
Year to date	(25,874,401)	(294,414)	(26,168,815)	(1,620,916)	3,805,189	(23,984,542)
Hydraulic allocation **(from page 4)**						(895,664)
Total	(25,874,401)	(294,414)	(26,168,815)	(1,620,916)	3,805,189	(36,874,648)

(1) The RSP adjustment rate for Industrial Customers excluding Teck Resources is 0.785 cents per kWh effective January 1, 2008. The rate for Teck Cominco is 2.000 cents per kWh.

Newfoundland and Labrador Hydro
Rate Stabilization Plan
Overall Summary
December 31, 2009

	A	B	C	D
	Hydraulic Balance	Utility Balance	Industrial Balance	Total To Date
	($)	($)	($)	($)
				(A + B + C)
	(from page 4)	**(from page 10)**	**(from page 11)**	
December 2008	(30,902,837)	(10,329,890)	(11,994,442)	(53,227,169)
January	(38,357,965)	(16,100,633)	(13,031,099)	(67,489,697)
February	(43,419,656)	(22,184,503)	(14,311,188)	(79,915,347)
March	(48,173,728)	(28,308,787)	(16,015,749)	(92,498,264)
April	(46,922,272)	(33,163,554)	(18,967,708)	(99,053,534)
May	(47,943,144)	(36,685,393)	(21,426,774)	(106,055,311)
June	(47,854,286)	(39,577,756)	(23,430,528)	(110,862,570)
July	(43,312,020)	(40,048,731)	(25,540,581)	(108,901,332)
August	(38,481,007)	(40,370,946)	(27,559,730)	(106,411,683)
September	(34,286,888)	(40,708,049)	(29,499,973)	(104,494,910)
October	(39,102,944)	(41,754,461)	(31,594,894)	(112,452,299)
November	(41,097,373)	(41,714,262)	(33,774,454)	(116,586,089)
December	(32,181,286)	(52,940,017)	(36,874,648)	(121,995,951)