

1 Q. Page 16, lines 6-9 of the Evidence - It is stated that the amount of the refund to  
 2 Rural Customers, which would result in a subsequent RSP collection from  
 3 Newfoundland Power customers is approximately \$9 million. Provide the  
 4 calculation used to determine the amount of \$9 million.

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 7 A. The calculation used to estimate the amount of \$9 million is shown in the Table  
 8 below. It is important to note that Hydro normally completes its rate design process  
 9 for Rural Customers after NP files its rate proposal with the Board since most Rural  
 10 Customers pay rates that are based on the rates that NP customers pay. Since NP's  
 11 rate design process to refund the RSP Surplus had not been completed, Hydro  
 12 estimated the allocation of the RSP Surplus between NP customers and Rural  
 13 Customers based on 2013 forecast kilowatt-hour sales. Hydro believes such  
 14 information, based upon 2013 actual data, should presently be compiled to fully  
 15 understand the potential impacts on NP and Rural Customers.

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**Calculation based on 2013 Forecast Sales <sup>1</sup>**

<b>Hydro Rural (2013 Forecast GWh)</b>	476.8
<b>Newfoundland Power (2013 Forecast GWh)</b>	5,749.7
<b>Total (GWh)</b>	6,226.5
<b>Hydro Share</b>	7.7%
<b>RSP Surplus - March 31, 2014 (\$million)</b>	\$ 117.5
<b>Surplus to Hydro Rural</b>	\$ 9.1

<sup>1</sup> Final RSP Surplus calculations will be based on 2013 actual sales.