

- 1     Q.     Page 17, lines 6-10 of the Evidence – Hydro states that:  
2             “Based on the Board’s ruling in this matter, it is anticipated that any new required  
3             RSP rules and other changes required for implementation, as well as the final  
4             calculation of the NP RSP Surplus refund amount, including financing, will form part  
5             of future applications to the Board by NP and Hydro in order to implement the  
6             Board’s Order on the NP RSP Surplus refund.”  
7             If this application is approved as presented, what changes to the Rate Stabilization  
8             Plan will be required in order to implement the Board Order? Provide specific  
9             wording.  
10  
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- 12    A.     If Hydro’s Application is approved as presented, Hydro proposes that an additional  
13             section be added to the RSP rules as shown in SR-PUB-NLH-009 Attachment 1.

## Section F: RSP Surplus

### 4. Newfoundland Power RSP Surplus Balance

#### 4.1 Calculation of RSP Surplus refund per kilowatt-hour

The NP RSP Surplus Balance will be refunded to Newfoundland Power, for distribution to its customers, and to Hydro Rural Customers on a per kilowatt-hour basis, as follows:

$$A = B / (C + D)$$

Where:

A = cents per kilowatt-hour to be applied to Newfoundland Power and Hydro Rural Customers energy consumption billed to customers in 2013;

B = NP RSP Surplus Balance as at March 31, 2014;

C = Newfoundland Power's Customers' kilowatt-hour sales billed during January 1, 2013 to December 31, 2013; and

D = Hydro Rural Customers'<sup>1</sup> kilowatt-hour sales billed during January 1, 2013 to December 31, 2013.

#### 4.2 Drawdown of NP RSP Surplus

##### Newfoundland Power

Upon receipt of an invoice from Newfoundland Power along with the documentation supporting the amount refunded to the credit of Newfoundland Power customers, Hydro will, within two business days, reimburse Newfoundland Power from the NP RSP Surplus.

##### Hydro Rural Customers

The amount credited to Hydro Rural Customers will be charged to the NP RSP Surplus.

#### 4.3 Transfer of NP RSP Balance to NP RSP

The balance remaining in the RSP, less Board-approved expenses incurred by Newfoundland Power and Hydro in distributing the RSP Surplus will be added to the Utility Plan then in effect.

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<sup>1</sup> Hydro Rural Customers are those whose rates are based on Newfoundland Power's customers' rates.