

1 Q. (Re: CA-NLH-285) The response indicates that sales to Teck Resources, NARL and
2 CBPP in 2014 of 48,000 kW/month of firm demand and 336.93 GWh of energy
3 produced revenues of \$16.951 million, or 5.0 cents/kWh. Please confirm that net
4 revenues in 2014 from these three customers after accounting for purchases was
5 \$1.066 million, or 0.32 cents/kWh sold. Please also confirm that the marginal cost
6 of energy to supply these three customers in 2014 was 16.3 cents/kWh, or almost
7 \$55 million (from CA-NLH-33).

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10 A. The \$16.951 million revenues reported in Hydro's response to CA-NLH-284 for 2014
11 does not reflect the RSP billing adjustments for 2014 as the RSP amount is not
12 reported as revenue by Hydro. There was a \$757,000 RSP credit provided to Teck
13 Resources in 2014. The total 2014 net billings for sales to Teck Resources, NARL
14 and CBPP was approximately \$16.2 million.

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16 The total cost of purchases from CBPP, including CBPP cogeneration and capacity
17 assistance agreements, was approximately \$15.9 million. Hydro does not consider
18 the computation of a net ¢ per kWh to be a valid calculation, as the purchases and
19 sales do not apply on the same kWh basis.

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21 The comparability of the revenues paid by CBPP in 2014 and the costs of purchase
22 from CBPP in 2014 is incomplete without considering the costs incurred by CBPP in
23 providing the generation made available for purchase by Hydro. Further, the power
24 purchase arrangements between Hydro and CBPP have been entered into to
25 provide benefits to all customers on the Island Interconnected System, consistent
26 with the provision of least cost, reliable service.