

1 Q. **Reference: Rates Schedules**

2 Please provide a detailed example calculation of the “Island Interconnected
3 Recoverable Amount” (using the 12 month period of April 2011 to March 2012) that
4 shows the Island Interconnected Customer Group allocations as well as the
5 percentages for Utility Firm energy, Firmed-Up Secondary Invoiced Energy,
6 Industrial Firm Invoiced Energy, and Rural Island Interconnected Bulk Transmission
7 energy. Please include all data used throughout the calculation. (Rates Schedules,
8 page 21 of 47)

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11 A. Please refer to NP-NLH-041 Attachment 1.

Newfoundland and Labrador Hydro
Detailed Example Calculation of the Island Recoverable Amount by Month

| Line No | | | A | B | C | D | E | F | G | H | I | G | K | L | M |
|---------|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | | <u>Energy Sales for CDM Allocation</u> | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Total |
| | Newfoundland Power | Firm Energy (kWhs) | | | | | | | | | | | | | |
| 1 | | First Block | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 | 3,000,000,000 |
| 2 | | Second Block | 220,054,587 | 141,434,497 | 86,874,091 | 40,882,097 | 52,702,923 | 58,162,017 | 145,508,458 | 236,581,346 | 349,095,870 | 395,272,533 | 355,772,822 | 362,210,811 | 2,444,552,052 |
| 3 | | Total Firm | 470,054,587 | 391,434,497 | 336,874,091 | 290,882,097 | 302,702,923 | 308,162,017 | 395,508,458 | 486,581,346 | 599,095,870 | 645,272,533 | 605,772,822 | 612,210,811 | 5,444,552,052 |
| 4 | North Atlantic Refining Limited | Firm Energy (kWhs) | 19,646,894 | 10,942,879 | 2,456,854 | 1,853,569 | 11,894,310 | 20,072,389 | 20,005,478 | 20,426,464 | 19,411,209 | 21,014,005 | 19,204,245 | 21,048,766 | 187,977,062 |
| 5 | Corner Brook Pulp and Paper | Firm Energy (kWhs) | 6,218,928 | 6,006,732 | 2,389,178 | 2,202,385 | 4,836,385 | 3,149,225 | 4,163,138 | 4,354,128 | 6,762,120 | 5,604,779 | 7,444,979 | 11,033,265 | 64,165,242 |
| 6 | Teck Cominco | Firm Energy (kWhs) | 6,248,090 | 6,229,970 | 5,445,611 | 5,489,890 | 5,644,146 | 5,378,144 | 6,100,449 | 6,173,983 | 6,291,723 | 6,340,337 | 6,024,565 | 6,271,305 | 71,638,213 |
| 7 | Rural Deliveries (Island) | Firm Energy (kWhs) | 37,943,790 | 36,778,106 | 32,298,478 | 31,546,169 | 28,786,637 | 26,330,625 | 31,807,891 | 37,602,191 | 46,917,036 | 48,823,704 | 45,336,364 | 46,059,301 | 450,230,292 |
| | | <u>Calculation of Island Recoverable Amount by Month</u> | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Total |
| 8 | | NP CDM Allocation Rate | 0.0000589 | \$ /kWh | | | | | | | | | | | |
| 9 | Newfoundland Power | CDM Allocation | \$ 27,662.81 | \$ 23,036.00 | \$ 19,825.11 | \$ 17,118.47 | \$ 17,814.13 | \$ 18,135.40 | \$ 23,275.75 | \$ 28,635.41 | \$ 35,256.91 | \$ 37,974.42 | \$ 35,649.85 | \$ 36,028.73 | \$ 320,413.00 |
| 10 | | Industrial Allocation Rate | 0.0000365 | \$ /kWh | | | | | | | | | | | |
| 11 | North Atlantic Refining Limited | CDM Allocation | \$ 717.29 | \$ 399.52 | \$ 89.70 | \$ 67.67 | \$ 434.25 | \$ 732.83 | \$ 730.39 | \$ 745.76 | \$ 708.69 | \$ 767.21 | \$ 701.13 | \$ 768.48 | \$ 6,862.91 |
| 12 | Corner Brook Pulp and Paper | CDM Allocation | \$ 227.05 | \$ 219.30 | \$ 87.23 | \$ 80.41 | \$ 176.57 | \$ 114.98 | \$ 151.99 | \$ 158.97 | \$ 246.88 | \$ 204.63 | \$ 271.81 | \$ 402.82 | \$ 2,342.63 |
| 13 | Teck Resources | CDM Allocation | \$ 228.11 | \$ 227.45 | \$ 198.82 | \$ 200.43 | \$ 206.06 | \$ 196.35 | \$ 222.72 | \$ 225.41 | \$ 229.71 | \$ 231.48 | \$ 219.95 | \$ 228.96 | \$ 2,615.46 |
| 15 | Total Recoverable | | \$ 28,835.26 | \$ 23,882.27 | \$ 20,200.85 | \$ 17,466.98 | \$ 18,631.02 | \$ 19,179.55 | \$ 24,380.86 | \$ 29,765.54 | \$ 36,442.19 | \$ 39,177.73 | \$ 36,842.75 | \$ 37,428.98 | \$ 332,234.00 |

Newfoundland and Labrador Hydro
Detailed Example Calculation of the Island Recoverable Amount by Month

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| Line No | A 2009 (\$) | B 2010 (\$) | C 2011 (\$) | D 2012 (\$) | E Total (\$) | F Recoverable Amount (Col E/7) |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|---|
| 1 Island Interconnected Plan Deferred Costs | 159,313 | 412,024 | 466,276 | 551,556 | 1,589,169 | 227,024 |
| 2 Other System Plan Deferred Costs | | | 7,650 | 832,992 | 840,642 | 120,092 |
| | 159,313 | 412,024 | 473,926 | 1,384,548 | 2,429,811 | 347,116 |

| Allocation of Island Interconnected Recoverable Amount | Total | Newfoundland Power | Island Industrial Customers | Rural | Labrador Interconnected |
|---|---------|-----------------------|-----------------------------------|----------|----------------------------|
| 3 Island Interconnected Recoverable Amount, Line 1, Col F | 227,024 | | | | |
| 4 Customer Allocation Ratio , Lines 16 to 18, Col B | | 87.55% | 5.21% | 7.24% | 0% |
| 5 Allocated Amount, Line 3 * Line 4 | | 198,766 | 11,821 | 16,437 | |
| 6 Other Systems Recoverable Amount, Line 2, Col F | 120,092 | | | | |
| 7 Add Rural Portion to Other Systems Recoverable Amount | 16,437 | | | (16,437) | |
| 8 Sum of Other Systems Recoverable Amount and Rural Portion | 136,529 | | | | |
| 9 Customer Allocation Ratio ^{1,2} | | 89.10% | 0.00% | 0.00% | 10.90% |
| 10 Allocated Amount, Line 8 * Line 9 | | 121,647 | 0 | 0 | 14,882 |
| 11 Total Recoverable Amount, Line 5 + Line 10 | | 320,413 | 11,821 | 0 | 14,882 |
| 12 12 months to date sales, Lines 16 to 17 | | 5,444,552,052 | 323,780,517 | | |
| 13 Recovery Rate, Line 11 / Line 12 * 1000 (mills/kWh) | | 0.05885 | 0.03651 | | |

| | | |
|---|--|------------------------|
| 14 | Island Interconnected Recoverable Allocation | |
| | | Percent of Total |
| 15 Calculation of Customer Allocation Ratios | kWh ³ | |
| 16 12 months to date Utility Sales | 5,444,552,052 | 87.55% |
| 17 12 months to date Industrial Customers Sales | 323,780,517 | 5.21% |
| 18 12 months to date Rural Bulk Energy | 450,230,292 | 7.24% |
| 19 Total | 6,218,562,861 | 100.00% |

(1) The Other Systems Plan Balance amount is reallocated to Newfoundland Power and Labrador Interconnected in the same proportion as the Rural deficit, 89.1% and 10.9% respectively.

(2) The deferred amount allocated to Rural is reallocated to Newfoundland Power and Labrador Interconnected in the same proportion as the Rural deficit, 89.1% and 10.9% respectively.

(3) Twelve months to date sales as at March 31, 2012.