

1 Q. **2013 General Rate Application, Rates**

2 Page 4.16, Table 4.4 - The increase in the firm rate for Newfoundland Power from  
3 existing rates to the proposed rate is stated to be 18.7%. Confirm that the RSP  
4 credit shown in Table 4.4 for Newfoundland Power which reduces the base rate is a  
5 one time adjustment and state what the impact will be on Newfoundland Power's  
6 firm rate in the following year when this RSP credit is not available.

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9 A. [ ]

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11 Table 4.15 of the Evidence to the Amended Application provides a "Comparison of  
12 Revenues and RSP at Existing and Proposed Rates". The firm rate increase for  
13 Newfoundland Power ("NP") from existing rates to the proposed rate is 26.5%.<sup>1</sup>  
14 The large percentage increase in the proposed base rate reflects a transfer of fuel  
15 cost recovery from the RSP fuel rider to the NP base rate. NP's current base rate  
16 was approved reflecting a Holyrood fuel cost of approximately \$55 per barrel; the  
17 Amended Application reflects a fuel cost of approximately \$93 per barrel.<sup>2</sup>

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19 The RSP credit shown under proposed rates in Table 4.15 for NP reflects the impact  
20 on customer billings of the current RSP recovery rider of -0.551¢ per kWh effective  
21 July 1, 2014. The current RSP recovery rider will remain in place until June 30, 2015.  
22 The RSP recovery rider will be re-calculated in accordance with the RSP rules to  
23 become effective July 1, 2015. The customer impact of the July 1, 2015 update of  
24 the RSP recovery rider depends upon a number of factors primarily the accuracy of  
25 the fuel price forecast reflected in customer rates, the fuel cost impacts of variances

<sup>1</sup> \$109,937,809 / \$415,402,365.

<sup>2</sup> The RSP fuel rider which currently applies to energy sales to NP is 1.526¢ per kWh.

1 from normal hydraulic production and the fuel cost impacts of load variances from

2 forecast.

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4 Please see Hydro's response to NP-NLH-032 for the July 1, 2015 RSP forecast.