

1 Q. Further to the response to CA-NLH-303, please provide the page, tab and line where
2 the \$573,000 fuel cost savings can be found in the 2015 Test Year Cost of Service
3 (Updated Exhibit 13), and describe how the allocation based upon 2015 production
4 energy at generation is performed.

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7 A. Based on the pilot project approved by the Board in April 2009 between Hydro and
8 Corner Brook Pulp and Paper (CBPP), the expectation is that CBPP will operate its
9 generating units to most efficiently convert water to energy. This, in turn, allows
10 CBPP to lower its energy requirements from Hydro and permits lower energy
11 production from the Holyrood Thermal Generating Station.

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13 As indicated in Exhibit 4 of Hydro's Amended Application, fuel savings that have
14 resulted from the pilot project to date have been provided to customers through
15 the Rate Stabilization Plan. The current 2015 Cost of Service does not reflect the
16 savings as the contract is still in the pilot stage and yet to be approved by the Board.
17 However, Hydro has calculated the estimated revenue requirement impact on the
18 2015 Test Year Cost of Service study to be \$573,000 in fuel cost savings. The
19 calculation is provided in PUB-NLH-476 Attachment 1.

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21 If the Board approves continuation of the contract with CBPP, Hydro will review the
22 CBPP's load forecast and reflect the forecast fuel savings in its final 2015 Test Year
23 Cost of Service Study.

CBPP Generation Credit - Cost of Service Impacts

	Production Energy (MWh @ Gen)	Production Energy \$
Change in Holyrood Fuel Costs		573,000
<u>Basis of Allocation:</u>		
Amounts		
Newfoundland Power	6,118,065	
Industrial - Firm	641,746	
Industrial - Non-Firm	-	
Rural		
1.1 Domestic	123,746	
1.12 Domestic All Electric	158,460	
1.3 Special	389	
2.1 GS 0-10 kW	-	
2.2 GS 10-100 kW	85,347	
2.3 GS 110-1,000 kVa	67,875	
2.4 GS Over 1,000 kVa	40,115	
4.1 Street and Area Lighting	3,157	
Subtotal Rural	479,089	
Total	7,238,900	
Ratios Excluding Return on Equity		
Newfoundland Power	0.8452	484,280
Industrial - Firm	0.0887	50,798
Industrial - Non-Firm	-	
Rural		
1.1 Domestic	0.0171	9,795
1.12 Domestic All Electric	0.0219	12,543
1.3 Special	0.0001	31
2.1 GS 0-10 kW	-	-
2.2 GS 10-100 kW	0.0118	6,756
2.3 GS 110-1,000 kVa	0.0094	5,373
2.4 GS Over 1,000 kVa	0.0055	3,175
4.1 Street and Area Lighting	0.0004	250
Subtotal Rural	0.0662	37,923
Total	1.0000	573,000