

1 Q. (RSP Application, CA-NLH-1) In light of Board Order No. P.U. 26 (2013), please
2 update the list in the response to CA-NLH-1 showing all remaining aspects of this
3 Application for which Hydro is seeking approval.
4
5

6 A. The following is an update to the response provided in CA-NLH-1 as to aspects of
7 the Application for which Hydro is seeking approval.
8

9 1. Application - Paragraph 9(a)

10 **“Eliminating the RSP Rate for all Industrial Customers except Teck Resources;”**

11 Directive Reference: OC2013-089 (as amended) paragraph 2 –

12 Effective September 1, 2013 all Island industrial customers, with
13 the exception of Teck Resources, will be subject to the same
14 standard industrial rate, equivalent to the existing base rate but
15 excluding the Rate Stabilization Plan adjustment currently in
16 place;
17

18 ***Update: This was approved by the Board on an interim basis in Order No.***

19 ***P.U. 26(2013). A final Order as to this will be sought in due course.***
20

21 2. Application – Paragraph 9(b)

22 **“Setting the Teck Resources RSP Surplus adjustment rate to 1.111 cents**
23 **per kWh”**

24 Directive Reference: OC2013-089 (as amended) paragraph 3 –

25 Teck Resources rate increase will be phased in, to a reasonable
26 degree, in three equal annual percentage increases, and at the

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1 end of the phase-in period Teck Resources will be subject to the
2 standard industrial rate;

3
4 Note: The rate of 1.111 cents per kWh is proposed by Hydro to be effective
5 September 1, 2013 as a means of carrying out the policy directive.
6

7 ***Update: An Order is required prior to October 1 so that compliance with the***
8 ***Directive is achieved and bills for September consumption can be***
9 ***issued.***

10
11 3. Application – Paragraph 10.

12 ...[E]ffective September 1, 2013, the RSP rules related to the allocation
13 of the load variation be modified such that the year-to-date net load
14 variation for both Newfoundland Power and the Industrial Customers
15 be allocated among the customer groups based upon energy ratios.

16 There is no directive with respect to this aspect of the Application.
17

18 ***Update: Hydro has agreed that this issue can be deferred to the General***
19 ***Rate Application. It should be noted that in the absence of***
20 ***resolution, the September to December 2013 load variation should***
21 ***be segregated prior to setting January 1, 2014 RSP rates for the IC***
22 ***class.***

23
24 4. Application - Paragraph 11.

25 “[T]he Island Industrial Customer interim rates, from January 1, 2008 to August
26 31, 2013 be made final.”

27 There is no directive with respect to this aspect of the Application.

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1 **Update:** *Hydro believes that, based upon the policy direction contained in*
2 *the Orders in Council, the Board has complete information on this*
3 *matter. Hydro is seeking that these rates be made final following*
4 *submissions to be filed later this month.*

5
6 5¹. Application – Paragraph 12.

7 “...Hydro is applying for approval of a new RSP section related to the disposition
8 of the load variation, including financing, which has accumulated since January 1,
9 2007.”

10
11 Directive Reference: OC2013-089 (as amended) paragraph 2 –

12 On August 31, 2013 the Island industrial customers' Rate
13 Stabilization Plan will be credited with \$49 million, the estimated
14 Rate Stabilization Plan amount required to phase-in industrial
15 customer rates, based on Newfoundland and Labrador Hydro's
16 General Rate Application. The remaining balance in the Rate
17 Stabilization Plan Surplus on August 31, 2013, will be transferred
18 to the credit of Newfoundland Power's Rate Stabilization Plan. No
19 future adjustments will be made to these amounts credited.
20 Effective July 1, 2013 all Island industrial customers, with the
21 exception of Teck Resources, will be subject to the same standard
22 industrial rate, equivalent to the existing base rate but excluding
23 the Rate Stabilization Plan adjustment currently in place;

24
25 **Update:** *The first portion of the directive has been carried out through*
26 *subsection 1.i) of Order No. P.U. 26(2013). Approval of the new*

¹ This item was incorrectly labelled as number 4 in CA-NLH-1.

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1 *section of the RSP (“related to the disposition of the load variation,*
2 *including financing, which has accumulated since January 1, 2007”)*
3 *will be required prior to Hydro issuing interim or final rates from its*
4 *General Rates Application.*