

- 1 Q. Assuming the Board were to order that the final rate for the Industrial Customers
2 Corner Brook Pulp & Paper (CBPP) and North Atlantic Refining (NARL) for the period
3 January 1, 2008 to August 31, 2013 be the same as the interim rate paid by Teck
4 Resources (and its predecessor entities) during that period, without any other
5 adjustments:
- 6 (a) What would be the total amount of the rate over recovery from the interim
7 rates paid by Corner Brook Pulp & Paper and North Atlantic Refining for the
8 period January 1, 2008 to August 31, 2013, including in that calculation the
9 same financing methodology as Hydro has used for calculating the load
10 variation component for this same period? Please support Hydro's answer
11 with tables showing all facts and calculations used.
- 12 (b) Assuming the Board were to order that an over recovery calculated in
13 accordance with the foregoing assumption and paragraph (a) be paid into a
14 separate account for the Board's future determination as to how it should
15 be disposed of, please identify all necessary changes that would have to be
16 made to Hydro's Application and to the supporting evidence filed to date for
17 Hydro's Application to fully reflect the foregoing assumptions posited by this
18 RFI IC-NLH-18 and the calculations made in response to paragraph (a)
19 hereof, including without limiting the foregoing all necessary changes to
20 Tables 1, 2, 3 and 4 of Hydro's July 2013 Rate Stabilization, and to all
21 schedules and appendices supporting or relating to those Tables.
- 22 (c) Assuming the Board were to order that an over recovery calculated in
23 accordance with the foregoing assumptions posited by this RFI IC-NLH-18
24 and in response to paragraph (a) hereof, be paid into a separate account for
25 the Board's future determination as to how it should be disposed of, please
26 separately identify each of the options available to the Board as to how such

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an over recovery amount could be disposed of, in accordance with the
Public Utilities Act (PUA) and the *Electrical Power Control Act, 1994*.

- A. Responses to the specific questions in this request for information are based upon premises and hypothetical cases that are contrary to the directive received by the Board and which do not assist the Parties or the Board in understanding the issues to be determined in this matter. Hydro views the following elements from the Orders in Council as determinative of the issue:
- (i) the Rate Stabilization Plan Surplus is defined as the accumulated Load Variation component of the RSP for the period January 1, 2007 to August 31, 2013;
 - (ii) \$49 million of the Rate Stabilization Plan Surplus is to be credited to the IC RSP with the balance transferred to the NP RSP;
 - (iii) the amount of \$49 million is the estimated RSP amount required to phase-in Industrial rates based on Hydro's General Rate Application;
 - (iv) the amount of \$49 million will not be adjusted in the future; and
 - (v) the amount of \$49 million will be used to fund the shortfall in Hydro's revenues as a result of the IC rate phase-in.

As stated in (iii) above, the amount of \$49 million is the estimated RSP amount required to phase-in Industrial rates based on Hydro's General Rate Application. The allocation of the amount of \$49 million, as shown in response to PUB-NLH-7, includes the August 31, 2013 RSP balance of \$39 million owing from the IC class. Since the amount of \$39 million is integral to the rates policy direction given in the OC in that it is the outcome of the application of (i) above and it is a component of the \$49 million amount, it should not be altered by increasing the amount of the IC RSP deficit over the period from January 1, 2008 to August 31, 2013, which would

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1 result if the RSP credits were increased for CBPP and NARL. Therefore, it is Hydro's
2 position that interim rates over the period January 1, 2008 to August 31, 2013
3 should be finalized at this time without further review. Refer also to the response
4 to CA-NLH-20.