
RSP Rules and Components to be charged to Industrial Customers

1 Q. Please provide from the Orders in Council evidence that the phase-in rates for the
2 Industrial Customers cannot, as of January 1, 2014, be subject to different RSP
3 adjustments (as was the case, for example, as between Corner Book Pulp and Paper
4 and North Atlantic Refining, on the one hand, and Teck Resources predecessor
5 entity, on the other hand, in 2007).
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8 A. OC2013-089¹ as amended, Section 5, states that “Notwithstanding Items 1) through
9 4) above, effective January 1, 2014, the Island Industrial Customers will be subject
10 to Rate Stabilization Plan rate changes in accordance with the Board of
11 Commissioners of Public Utilities-approved methodology”. The approved
12 methodology outlined in the existing RSP rules provides for similar treatment for all
13 Island Industrial Customers.
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15 In addition to the normal RSP Adjustment Rate that will become effective January 1,
16 2014, Hydro has proposed that a RSP Surplus Adjustment rate be implemented for
17 Teck Resources with effect from September 1, 2013. OC2013-089 as amended,
18 Section 3 and 4 states as follows:

- 19 “3) Teck Resources rate increase will be phased in, to a reasonable degree, in
20 three equal annual percentage increases, and at the end of the phase-in
21 period Teck Resources will be subject to the standard industrial rate; and
22 4) Over the three year Island industrial rate phase in period, the shortfall in
23 Newfoundland and Labrador Hydro's revenues when compared to revenue
24 at the Board of Commissioners of Public Utilities-approved Island Industrial
25 Customer rates, shall be funded from the Island Industrial Customer Rate
26 Stabilization Plan”.

¹ Included in Appendix A of the RSP filing,

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1 To implement the Government OCs, Hydro has proposed Section E: RSP Surplus as
2 new RSP rules for approval of the Board and these rules are included as Schedule B
3 to the RSP filing. To implement Sections 3 and 4 above, with regard to Teck
4 Resources, Page 11 of Schedule B shows an RSP Surplus Adjustment of (1.111) ¢ per
5 kWh which is proposed to be effective for this customer from September 1, 2013 to
6 August 31, 2014.