

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

2 Using the most recent forecast, what is expected to be the impact on rates to
3 Newfoundland Power of the RSP adjustment effective on July 1, 2015? Provide
4 details of the calculation.

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7 A. Using the most recent forecast data, the expected impact on the rates to
8 Newfoundland Power of the RSP adjustment effective on July 1, 2015 is noted in
9 the table below. The change in the current plan portion of the RSP Rate is primarily
10 due to the impact of significant load growth relative to the 2013 Test Year. The Fuel
11 Rider reflects a lower than forecast fuel price of 96.20 (\$Can/bbl) versus the 2013
12 Test Year price of 108.70 (\$Can/bbl). PUB-NLH-072 Attachment 1 provides the
13 details of the calculation.

	2015 Billing Units	Unit	2015		2015		% NP	% Consumer ¹
			Forecast (Jan rates)	\$	Forecast (July rates)	\$		
Demand (kWs)	14,939,424	\$/kW/mo	9.12	136,247,547	9.12	136,247,547		
Energy (MWhs)	3,360,000	mills/kWh	27.86	93,609,600	27.86	93,609,600		
Energy (MWhs)	2,432,500	mills/kWh	104.00	252,980,000	104.00	252,980,000		
RSP: Current Plan	5,792,500	mills/kWh	(7.33)	(42,459,025)	5.49	31,800,825		
RSP: Fuel Rider	5,792,500	mills/kWh	(3.61)	(20,910,925)	(3.58)	(20,737,150)		
Total RSP			(10.94)	(63,369,950)	1.91	11,063,675		
Firm plus RSP				419,467,197		493,900,822	17.7%	11.9%

1) Approximate impact only as Hydro does not complete rate design for Newfoundland Power customers.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN FUEL PRICE PROJECTION RIDER
No. 6 0.7% Sulphur Fuel Price Projection
July 1 2015 NP RSP Recovery Rate for 2015 Forecast
Utility Customer

PUB-NLH-072, Attachment 1
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Line

No Customer Allocation

	Amount	Comments
1 March Fuel Price Projection	\$ 96.20	From Page 2
2 2013 Test Year Fuel Forecast Price	\$ 108.70	
3 Forecast Fuel Price Variance	\$ (12.50)	Line 1 - Line 2
4 2013 Test Year No. 6 Barrels Consumed	1,842,112	From Line 39
5 Forecast Fuel Variance	\$ (23,026,400)	Line 3 x Line 4
6 Utility Customer Allocation Ratio for March	89.57%	From Line 8
7 Utility Customer Allocation	\$ (20,623,607)	Line 5 x Line 6

Calculation of Customer Allocation

	kWh	Percent of Total	Allocation of Rural	Total
8 12 months to date (Apr 2014-Mar 2015) Utility Sales	5,756,100,000	83.70%	5.87%	89.57%
9 12 months to date (Apr 2014-Mar 2015) Industrial Customer Sales	666,300,000	9.69%	0.00%	9.69%
10 12 months to date (Apr 2014-Mar 2015) Bulk Rural Energy	454,300,000	6.61%	-6.61%	0.00%
11 Total	6,876,700,000			

Calculation of Utility Customer RSP Rate

	Amount	Comments
12 Utility Allocation March	\$ (20,623,607)	From Line 7
13 12 months to date Utility Sales (kWh)	5,756,100,000	From Line 8
14 Fuel Projection Rider (mills per kWh)	(3.58)	Line 12/Line 13 x 1000
15 March Balance	\$ 20,655,327	March RSP
16 Forecast Financing Costs	\$ 1,782,319	From Line 38
17 Forecast Recovery to June 30	\$ 9,166,898	Lines 23 to 25
18 Total to be recovered	\$ 31,604,544	Lines 15 to 17
19 12 months to date (Apr 2014-Mar 2015) Utility Sales	5,756,100,000	From Line 8
20 Balance Rate (mills per kWh)	5.49	Line 18/Line 19 x 1000
21 RSP Adjustment Rate (mills per kWh)	1.91	Line 14 + Line 20

Utility Forecast Recovery

2013-2014

2013 Test Year Weighted Average Cost of Capital per annum	7.829%
Nominal Financing Rate	7.561%

	Sales	Financing	Adjustment	Total
	kWh	Costs		To Date
				Balance
22 Balance Forward				\$ 20,655,327
23 April	488,100,000	\$ 130,146	\$ 3,577,773	24,363,246
24 May	410,200,000	153,509	3,006,766	27,523,520
25 June	352,300,000	173,421	2,582,359	30,279,301
26 July	317,300,000	190,785	(1,741,977)	28,728,108
27 August	320,500,000	181,011	(1,759,545)	27,149,574
28 September	318,500,000	171,065	(1,748,565)	25,572,074
29 October	411,200,000	161,125	(2,257,488)	23,475,712
30 November	498,600,000	147,917	(2,737,314)	20,886,314
31 December	648,300,000	131,601	(3,559,167)	17,458,748
32 January	709,100,000	110,005	(3,892,959)	13,675,794
33 February	642,000,000	86,169	(3,524,580)	10,237,383
34 March	640,000,000	64,504	(3,513,600)	6,788,287
35 April	488,100,000	42,772	(2,679,669)	4,151,390
36 May	410,200,000	26,157	(2,251,998)	1,925,549
37 June	352,300,000	12,133	(1,934,127)	3,555
38 Total	\$ 1,782,319	\$ (22,434,091)		

2013 Test Year Barrels

39 2013 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood	1,842,112
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NEWFOUNDLAND AND LABRADOR HYDRO
Fuel Price Projection

As at March 31, 2015

July 1 2015 NP RSP Recovery Rate for 2015 Forecast

PUB-NLH-072, Attachment 1

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	\$/bbl
PIRA Forecast \$ US/bbl ⁽¹⁾	
July	94.40
August	94.40
September	94.40
October	94.40
November	94.40
December	94.40
January	98.00
February	98.00
March	98.00
April	98.00
May	98.00
June	98.00
Average \$US/bbl ⁽²⁾	96.20
Hydro Test Year Contract Discount (\$US/bbl)	<u>0.000</u>
	\$96.20
Can\$/US\$ Noon Exchange Rate ⁽³⁾	<u>1.0000</u>
Hydro Fuel Price Projection (\$Can/bbl) ⁽²⁾	<u><u>\$96.20</u></u>

Notes:

- (1) The forecast for July to Dec 2015 is from Sept fuel run from System Planning and Jan to June 2016 is from IE corp planning assumptions Apr 2013 PIRA forecast.
- (2) Price per barrel is rounded to the nearest \$0.05.
- (3) Monthly average of the Bank of Canada Can\$/US\$ Noon Exchange Rate for the budget/forecast is assumed to be 1:1