

1 **Q. Assume that effective April 1, 2015 the Board approves the allocation of the**
2 **segregated load variation to the Industrial Customers and to Newfoundland**
3 **Power Inc., that the fuel rider for Newfoundland Power Inc. is reset to zero and**
4 **that the current Rate Stabilization Plan adjustment of (0.551)¢ per kWh will**
5 **continue without change until July 1, 2016.**

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7 Provide the total impact on the Rate Stabilization Plan balance at June 30, 2016
8 using of a Rate Stabilization Plan adjustment of (0.551)¢ per kWh. Provide all
9 assumptions and the total amount that will be refunded over that period of time.

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12 **A. The total credit balance owing to Newfoundland Power (NP) that will have**
13 **accumulated in the NP Rate Stabilization Plan (RSP) as of June 30, 2016 is**
14 **approximately \$8.2 million under the following assumptions: (i) continuation of the**
15 **RSP adjustment rate of (0.551)¢ per kWh; (ii) allocation of segregated load variation**
16 **effective December 31, 2014; (iii) the RSP operates based upon 2015 Test Year**
17 **values; (iv) there are no forecast variances in hydrology;¹ and (v) any fuel cost**
18 **variances for 2016 would be addressed by the implementation of a new fuel rider**
19 **upon conclusion of the GRA.²**

¹ Hydro has assumed that the credit balance in the RSP Hydraulic Variations Account is used to provide recovery of the 2014 net income deficiency. Therefore, it is assumed no amount is transferred from the RSP Hydraulic Variations Account to the 2015 NP RSP current balance at year-end 2015.

² Section D of the RSP states "When new test year base rates come into effect, if a fuel rider forecast (either March or September) is more current than the test year fuel forecast, a fuel rider will be implemented at the same time as the change in base rates reflecting the more current fuel forecast and the new test year values.