

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 Rate Stabilization Plan adjustment to become effective April 1, 2015 will**  
5           **recover/repay the net of the Rate Stabilization Plan balance of December 31,**  
6           **2014, the projected total recovery/repayment of the balance for the following**  
7           **three months estimated using energy sales (kWh) for January, February and**  
8           **March of 2014, the forecast financing charges to the end of the recovery period**  
9           **(to June 30, 2016) and the newly allocated segregated load variation for**  
10          **Newfoundland Power Inc.**

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12           Provide the Rate Stabilization Plan adjustment effective April 1, 2015 that would  
13           recover or repay the balance in the Rate Stabilization Plan. Provide all assumptions  
14           used and the total amount that will be recovered or refunded over the period from  
15           April 1, 2015 to July 1, 2016.

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18     **A.     Under the current Rate Stabilization Plan (RSP) rules, the Newfoundland Power (NP)**  
19           **RSP adjustment for disposition of the RSP current plan balance (i.e., the recovery**  
20           **adjustment rate) would normally come into effect for the period July 1, 2015 to**  
21           **June 30, 2016. Under the above scenario, a forecast RSP recovery adjustment rate**  
22           **of (0.713)¢ per kWh would apply for the period April 1, 2015 to June 30, 2016 based**  
23           **on disposition of a credit balance of \$51.9 million to customers. Board approval of**  
24           **revised RSP rules to become effective April 1, 2015 would be required to implement**  
25           **the scenario presented in this request for information.**

1       The forecast RSP recovery adjustment rate was calculated assuming: (i)  
2       continuation of the RSP adjustment rate of (0.551)¢ per kWh until March 31, 2015;  
3       (ii) computation of the new adjustment to be in effect for the 15 month period of  
4       April 1, 2015 to June 30, 2016 was based upon the total NP usage for the 15 month  
5       period of April 1, 2014 to June 30, 2015; (iii) allocation of segregated load variation  
6       based upon energy ratios effective December 31, 2014; and (iv) the RSP operates  
7       based upon 2015 Test Year values.