

1 Q. Assuming the Board does not approve the Interim Rate Application as proposed by
2 Hydro and there are no changes to base rates or to the Rate Stabilization Plan
3 methodology, what is the estimated impact on the July 1, 2015 Rate Stabilization
4 Plan adjustment to Newfoundland Power Inc. rates and the average rates charged
5 to Newfoundland Power Inc. customers? Provide supporting information regarding
6 the forecast price per barrel of No. 6 fuel, the calculation of the current balance at
7 March 31, 2015 in the NP Rate Stabilization Plan, the Adjustment and Financing
8 included for April, May and June 2015, and the calculation of the Fuel Rider. As the
9 March month end forecast may not be available the February 2015 month end
10 forecast may be used for purposes of the calculation.

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13 A. Assuming the Board does not approve the Interim Rate Application as proposed by
14 Hydro and there are no changes to base rates or to the Rate Stabilization Plan
15 methodology, the estimated rate impact of the July 1, 2015 Rate Stabilization Plan
16 adjustment if the RSP continues to operate for 2015 based upon 2007 Test Year
17 parameters is a decrease of 15.7% for Newfoundland Power Inc. or an estimated
18 decrease of 10.6% for end consumers as outlined in the table below. Please see
19 Attachment 1 for the supporting calculation of the RSP current plan rate and fuel
20 rider using a March 31, 2015 closing balance based on January and February 2015
21 actuals and a March forecast.

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NLH 2015 Interim Rates Application

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Utility Total

	2015 Billing		Jan 1 2015		July 1 2015			End
	Units	Unit	Existing	\$	Forecast	\$	Utility	Consumer
			Rates		Rates			
Demand (kW/s)	15,122,049	\$/kW/mo	4.00	60,488,196	4.00	60,488,196		
Energy (MW/s)	3,000,000	mills/kWh	32.46	97,380,000	32.46	97,380,000		
Energy (MW/s)	2,924,100	mills/kWh	88.05	257,467,005	88.05	257,467,005		
RSP: Current Plan	5,924,100	mills/kWh	(5.51)	(32,641,791)	(7.49)	(44,371,509)		
RSP: Fuel Rider	5,924,100	mills/kWh	15.26	90,401,766	4.68	27,724,788		
Total RSP			9.75	<u>57,759,975</u>	(2.81)	<u>(16,646,721)</u>		
Firm plus RSP				<u>473,095,176</u>		<u>398,688,480</u>	-15.7%	-10.6%

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
Utility Customer

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Line No	Customer Allocation	Amount	Comments
1	March Fuel Price Projection	\$ 71.05	From Page 2
2	2007 Test Year Fuel Forecast Price	\$ 55.40	
3	Forecast Fuel Price Variance	\$ 15.65	Line 1 - Line 2
4	2007 Test Year No. 6 Barrels Consumed	1,878,188	From Line 41
5	Forecast Fuel Variance	\$ 29,393,642	Line 3 x Line 4
6	Utility Customer Allocation Ratio for March	92.98%	From Line 8
7	Utility Customer Allocation	\$ 27,330,209	Line 5 x Line 6

	kWh	Percent of Total	Allocation of Rural	Total
8	12 months to date (Apr 2014-Mar 2015) Utility Sales	5,844,287,746	86.90%	92.98%
9	12 months to date (Apr 2014-Mar 2015) Industrial Customer Sales	421,752,517	6.27%	6.27%
10	12 months to date (Apr 2014-Mar 2015) Bulk Rural Energy	458,979,862	6.82%	-6.82%
11	Total	6,725,020,125		0.00%

	Amount	Comments
12	Utility Allocation March	\$ 27,330,209 From Line 7
13	12 months to date Utility Sales (kWh)	5,844,287,746 From Line 8
14	Fuel Projection Rider (mills per kWh)	4.68 Line 12/Line 13 x 1000
15	March Balance	\$ (48,449,271) March RSP
16	Forecast Financing Costs	\$ (2,627,036) From Line 38
17	Forecast Recovery to June 30	\$ 7,326,763 Lines 23 to 25
18	Total to be recovered	\$ (43,749,543) Lines 15 to 17
19	12 months to date (Apr 2014-Mar 2015) Utility Sales	5,844,287,746 From Line 8
20	Balance Rate (mills per kWh)	(7.49) Line 18/Line 19 x 1000
21	RSP Adjustment Rate (mills per kWh)	-2.81 Line 14 + Line 20

Utility Forecast Recovery
2014-2015

2007 Test Year Weighted Average Cost of Capital per annum		7.529%
Nominal Financing Rate		7.281%

	Sales kWh	Financing Costs	Adjustment	Total To Date Balance
22	Balance Forward			\$ (48,449,271)
23	April	543,018,070	\$ (293,966)	\$ 2,992,030 (45,751,207)
24	May	458,076,079	(277,595)	\$ 2,523,999 (43,504,804)
25	June	328,626,921	(263,965)	\$ 1,810,734 (41,958,035)
26	July	303,484,393	(254,580)	2,273,098 (39,939,517)
27	August	300,338,819	(242,333)	2,249,538 (37,932,312)
28	September	315,235,972	(230,154)	2,361,117 (35,801,349)
29	October	401,788,711	(217,225)	3,009,397 (33,009,176)
30	November	508,174,745	(200,283)	3,806,229 (29,403,231)
31	December	619,191,220	(178,404)	4,637,742 (24,943,892)
32	January	740,593,181	(151,347)	5,547,043 (19,548,197)
33	February	668,359,635	(118,609)	5,006,014 (14,660,792)
34	March	657,400,000	(88,954)	4,923,926 (9,825,820)
35	April	543,018,070	(59,618)	4,067,205 (5,818,233)
36	May	458,076,079	(35,302)	3,430,990 (2,422,545)
37	June	328,626,921	(14,699)	2,461,416 24,172
38	Total	\$ (2,627,036)	\$ 51,100,478	

2007 Test Year Barrels Adjusted for Reduction in Corner Brook Pulp and Paper Limited (CBPP) and Abitibi Consolidated (Grand Falls) Load

39	2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood	2,467,396
40	Less: Reduction in Test Year Barrels of No. 6 Fuel approved in Board Order No. P.U. 11 (2008) to reflect reduction in CBPP load and Board Order No. P.U.22 (2009) to reflect a reduction in Abitibi Consolidated (Grand Falls) Test Year load.	(589,208)
41	Adjusted 2007 Test Year Barrels of No. 6 Fuel forecast to be consumed at Holyrood	<u>1,878,188</u>

NEWFOUNDLAND AND LABRADOR HYDRO
Fuel Price Projection
As at March 31, 2015
July 1 2015 NP RSP Recovery Rate

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	\$/bbl
PIRA Forecast \$ US/bbl ¹	
July	45.18
August	49.73
September	52.32
October	54.34
November	56.10
December	54.28
January	58.15
February	60.85
March	62.85
April	64.75
May	63.44
June	62.66
Average \$US/bbl ²	57.05
NLH TestYear Contract Discount (\$US/bbl)	<u>(0.218)</u>
	\$56.83
Can\$/US\$ Noon Exchange Rate ³	<u>1.2500</u>
NLH Fuel Price Projection (\$Can/bbl) ²	<u><u>\$71.05</u></u>

Notes:

¹ The forecast for July 2015 to June 2016 is based on the PIRA Energy Group World Oil Market Forecast dated March 2, 2015.

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 month of February 2015, rounded to 4 decimal places.