

- 1 Q. Assuming that the Board approves, effective July 1, 2015, a 5% increase in the base
2 rate to Newfoundland Power Inc., on an interim basis, the continuation of the
3 currently approved Rate Stabilization Plan and cost of service methodology, and
4 assuming approval of no other proposed changes, what would be the estimated
5 overall rate impact for Newfoundland Power Inc. and for its customers at July 1,
6 2015? Show the impact on the base rate and the Rate Stabilization Plan adjustment,
7 providing supporting information regarding the forecast price per barrel of No. 6
8 fuel, the calculation of the current balance at March 31, 2015 in the NP Rate
9 Stabilization Plan, the Adjustment and Financing included for April, May and June
10 2015, and the calculation of the Fuel Rider. Explain any assumptions made to
11 complete this exercise. As the March month end forecast may not be available the
12 February 2015 month end forecast may be used for purposes of the calculation.
13 Provide the same information for a 3%, an 8% and an 11.2% increase in the base
14 rate to Newfoundland Power Inc.
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17 A. Assuming the Board does not approve the Interim Rate Application as proposed by
18 Hydro, the estimated overall rate impacts to Newfoundland Power Inc. and its
19 customers for July 1, 2015, assuming the base increases provided in the question
20 and assuming operation of the current RSP based on 2007 Test Year parameters,
21 are outlined in the table below. Please see Attachment 1 for the supporting
22 calculations. The calculation of the RSP current plan rate and fuel rider are
23 provided in the response to TIR-PUB-NLH-016.

Base Rate Increase	Customer Rate Change	
	Utility	End Consumer
5%	-11.3%	-7.7%
3%	-13.1%	-8.8%
8%	-8.7%	-5.9%
11.2%	-5.9%	-4.0%

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- 2 The fuel price reflected in the rate change reflects a price per barrel of \$71.05. This
- 3 compares to an average cost of \$65.63 per barrel in the 2015 Test Year.

NEWFOUNDLAND AND LABRADOR HYDRO
NP Rate Increase - July 1, 2015

5% base rate increase

	2015 Billing		Jan 1 2015		July 1 2015			
	Units	Unit	Existing	\$	Forecast	\$	Utility	End
			Rates		Rates			Consumer
Demand (kW)	15,122,049	\$/kW/mo	4.00	60,488,196	4.20	63,512,606		
Energy (MWh)	3,000,000	mills/kWh	32.46	97,380,000	34.08	102,249,000		
Energy (MWh)	2,924,100	mills/kWh	88.05	257,467,005	92.45	270,340,355		
Total before RSP ¹				<u>415,335,201</u>		<u>436,101,961</u>	5.0%	3.4%
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 ²			9.75	<u>57,759,975</u>	(2.81)	<u>(16,646,721)</u>		
Firm plus RSP				<u>473,095,176</u>		<u>419,455,240</u>	-11.3%	-7.7%

3% base rate increase

	2015 Billing		Jan 1 2015		July 1 2015			
	Units	Unit	Existing	\$	Forecast	\$	Utility	End
			Rates		Rates			Consumer
Demand (kW)	15,122,049	\$/kW/mo	4.00	60,488,196	4.12	62,302,842		
Energy (MWh)	3,000,000	mills/kWh	32.46	97,380,000	33.43	100,301,400		
Energy (MWh)	2,924,100	mills/kWh	88.05	257,467,005	90.69	265,191,015		
Total before RSP				<u>415,335,201</u>		<u>427,795,257</u>	3.0%	2.0%
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>411,148,536</u>	-13.1%	-8.8%

8% base rate increase

	2015 Billing		Jan 1 2015		July 1 2015			
	Units	Unit	Existing	\$	Forecast	\$	Utility	End
			Rates		Rates			Consumer
Demand (kW)	15,122,049	\$/kW/mo	4.00	60,488,196	4.32	65,327,252		
Energy (MWh)	3,000,000	mills/kWh	32.46	97,380,000	35.06	105,170,400		
Energy (MWh)	2,924,100	mills/kWh	88.05	257,467,005	95.09	278,064,365		
Total before RSP				<u>415,335,201</u>		<u>448,562,017</u>	8.0%	5.4%
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>431,915,296</u>	-8.7%	-5.9%

11.2% base rate increase

	2015 Billing		Jan 1 2015		July 1 2015			
	Units	Unit	Existing	\$	Forecast	\$	Utility	End
			Rates		Rates			Consumer
Demand (kW)	15,122,049	\$/kW/mo	4.00	60,488,196	4.45	67,262,874		
Energy (MWh)	3,000,000	mills/kWh	32.46	97,380,000	36.10	108,286,560		
Energy (MWh)	2,924,100	mills/kWh	88.05	257,467,005	97.91	286,303,310		
Total before RSP				<u>415,335,201</u>		<u>461,852,744</u>	11.2%	7.6%
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>445,206,023</u>	-5.9%	-4.0%

¹ Base rate increases applied to all components.

² See TIR-PUB-NLH-016 for computation.