Q. Please illustrate using the "proposed 2013 Test Year values in the RSP" by providing an illustrative RSP report for January 2014 highlighting the proposed 2013 Test Year values and demonstrating the computations with the following assumptions:

(i) NP load and Island Industrial Customer load is 5% greater than forecast;

(ii) Holyrood fuel price is 5% greater than forecast;

(iii) Hydraulic production is 5% greater than forecast; and

(iv) the use of existing RSP rules to apply allocation of fuel price variations, hydraulic production variations and load variations.

A. Please refer to IR-NP-NLH-044 Attachment 1 for an illustrative RSP report for January 2014. In addition to those noted above, the following assumptions were made:

- Opening 2014 balances from December 31, 2013 Actual RSP;
- Interim rates for IC effective January 1, 2014;
- Commencement of drawdown of IC RSP Surplus effective January 1, 2014;
- Existing rates for NP effective January 1, 2014;
- Load Variation effective September 1, 2013 continues to be segregated;
- NP Fuel Rider based on 1.634 cents per kWh segregated within RSP for application against Revenue Shortfall Deferral Account upon final rate approval;
- January 1, 2014 IC RSP Adjustment rate based on 2013 Test Year RSP values; and
- 2013 Test Year values for RSP calculations effective January 1, 2014.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN REPORT
January 1, 2014

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Net Hydraulic Production Variation
January 31, 2014

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production [3] (kWh)	C Monthly Net Hydraulic Production Variance (kWh) **(A - B)**	D Cost of Service No. 6 Fuel Cost ($Can/bbl.)	E Net Hydraulic Production Variation ($) **(C / O[1] X D)**	F Financing Charges ($)	G Cumulative Variation and Financing Charges ($) **(E + F)** **(to page 12)**
Opening balance							(39,801,010)
January	519,570,000	539,500,500	(19,930,500)	108.79	(3,542,874)	(250,780)	(43,594,664)
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
	519,570,000	539,500,500	(19,930,500)		(3,542,874)	(250,780)	(43,594,664)
Hydraulic Allocation [2]							
Hydraulic variation at year end					(3,542,874)	(250,780.00)	(43,594,664)

(1) O is the Holyrood Operating Efficiency of 612 kWh/barrel per the Proposed 2013 Test Year.

(2) At year end 25% of the hydraulic variation balance and 100% of the annual financing charges are allocated to customers.

(3) 2014 Forecast (published Sept 25 2013) of 513,810,000 increased by 5% for the purpose of this RFI.

	(from page 6) 12 month kWh	% of kWh to total	Allocation	Reallocate Rural	**(to pages 11 & 12)** Net
Utility		0.0%	-	-	-
Industrial		0.0%	-		-
Rural		0.0%	-	-	-
Total	0	100.0%	-	-	-
Labrador Interconnected (write-off to income)				-	-
				-	-

Newfoundland and Labrador Hydro

Rate Stabilization Plan
No. 6 Fuel Variation
January 31, 2014

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel	Actual Quantity No. 6 Fuel for Non-Firm Sales	Net Quantity No. 6 Fuel	Cost of Service No. 6 Fuel Cost	Actual Average No. 6 Fuel Cost [1]	Cost Variance	No.6 Fuel Variation
	(bbl.)	(bbl.)	(bbl.) **(A - B)**	($Can/bbl.)	($Can/bbl.)	($Can/bbl.) **(E - D)**	($) **(C X F) (to page 6)**
January	351,577	172	351,405	108.79	109.16	0.37	130,020
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
	351,577	172	351,405				130,020

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Allocation of Fuel Variance - Year-to-Date
January 31, 2014

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date				Year-to-Date Fuel Variance				Reallocate Rural Island Customers [1]	
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	($)	($)	($)	($)	($)	($)
				(A+B+C)	**(A/D X H)**	**(B/D X H)**	**(C/D X H)**		**(G X 89.10%)**	**(G X 10.90%)**
					(to page 7)			**(from page 5)**	**(to page 7)**	
January	5,641,421,634	363,315,684	459,258,079	6,463,995,397	113,474	7,308	9,238	130,020	8,197	1,041
February										
March										
April										
May										
June										
July										
August										
September										
October										
November										
December										

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the Proposed 2013 Test Year Cost of Service Study, which is 88.73% and 11.27% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Allocation of Fuel Variance - Monthly
January 31, 2014

	A	B	C	D	E	F	G
	Utility					**Industrial**	
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date Activity	Current Month Activity [1]	Year-to-Date Activity	Current Month Activity [1]	Activity for the month	Year-to-Date Activity	Current Month Activity [1]
	($)	($)	($)	($)	($)	($)	($)
					(B + D)		
	(from page 6)		**(from page 6)**		**(to page 10)**	**(from page 6)**	**(to page 11)**
January	113,474	113,474	8,197	8,197	121,671	7,308	7,308
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
		113,474		8,197	121,671		7,308

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Load Variation - Utility
January 31, 2014

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy						Secondary Energy				
	Cost of Service Sales	Actual Sales [2]	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh) **(B - A)**	($Can/bbl.)	($/kWh)	($) **C x {(D/O[1]) - E}**	(kWh)	(kWh)	($/kWh)	($) **(G - H) x I**	($) **(F + J) (to page 10)**
January	703,800,000	739,515,000	35,715,000	108.79	0.08805	3,204,044	0	0	0.00841	0	3,204,044
February											
March											
April											
May											
June											
July											
August											
September											
October											
November											
December											
	703,800,000	739,515,000	35,715,000			3,204,044	0	0		0	3,204,044

(1) O is the Holyrood Operating Efficiency of 612 kWh/barrel per the Proposed 2013 Test Year.
(2) 2014 Forecast (published June 21 2013) of 704,300,000 increased by 5% for the purpose of this RFI.

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Load Variation - Industrial
January 31, 2014

	A	B	C	D	E	F
	Cost of Service Sales	Actual Sales [2]	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate	Load Variation
	(kWh)	(kWh)	(kWh) **(B - A)**	($)	($/kWh)	($) **C x {(D/O[1]) - E} (to page 11)**
January	31,600,000	43,575,000	11,975,000	108.79	0.03676	1,688,492
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
	31,600,000	43,575,000	11,975,000			1,688,492

(1) O is the Holyrood Operating Efficiency of 612 kWh/barrel per the Proposed 2013 Test Year.
(2) 2014 Forecast (published June 21 2013) of 41,500,000 increased by 5% for the purpose of this RFI.

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Summary of Utility Customer
January 31, 2014

	A	B	C	D	E	F	G	H
	Load Variation	Allocation Fuel Variance	Allocation Energy Supply Var	Allocation Rural Rate Alteration [1]	Subtotal Monthly Variances	Financing Charges	Adjustment [2]	Cumulative Net Balance
	($)	($)	($)	($)	($)	($)	($)	($)
					(A + B + C + D)			
	(from page 8)	**(from page 7)**						**(to page 12)**
Opening Balance								(80,173,930)
January	0	121,671	0	(209,388)	(87,717)	(505,163)	8,142,060	(72,624,750)
February								
March								
April								
May								
June								
July								
August								
September								
October								
November								
December								
Year to date	0	121,671	0	(209,388)	(87,717)	(505,163)	8,142,060	7,549,180
Hydraulic allocation **(from page 4)**								0
Total	0	121,671	0	(209,388)	(87,717)	(505,163)	8,142,060	(72,624,750)

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the Proposed 2013 Test Year Cost of Service Study, which is 88.73% and 11.27% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for Utility is 0.533 cents per kWh effective July 1, 2013 to June 30, 2014. NP Fuel Rider of 1.634 cents per kWh is held in separate account within RSP be to applied to the revenue shortfall deferral account upon final rate approval.

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Summary of Industrial Customers
January 31, 2014

	A	B	C	D	E	F	G
	Load Variation	Allocation Fuel Variance	Allocation Energy Supply Var	Subtotal Monthly Variances	Financing Charges	Adjustment [1]	Cumulative Net Balance
	($)	($)		($)	($)	($)	($)
				(A + B + C)			
	(from page 9)	**(from page 7)**					**(to page 12)**
Opening Balance							566,125
January	0	7,308	0	7,308	3,567	(22,223)	554,777
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Year to date	0	7,308	0	7,308	3,567	(22,223)	(11,348)
Hydraulic allocation **(from page 4)**							0
Total	0	7,308	0	7,308	3,567	(22,223)	554,777

(1) The Jan 1 2014 RSP adjustment rate for Industrial Customers is 0.051 cents per kWh based on Proposed 2013 Test Year RSP values.

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Utility Surplus
January 31, 2014

	A	B	C	D
	Industrial Customer Adjustment	Utility Payout	Financing Charges	Cumulative Balance
	($)	($)	($)	($) **(A + B + C)**
Opening Balance	0	0	0	(115,330,446)
January	0	0	(726,678)	(116,057,124)
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year to date	0	0	(726,678)	(726,678)
Total	0	0	(726,678)	(116,057,124)

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Segregated Load Variation
January 31, 2014

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date
	Load Variation	Financing Charges	Total To Date	Load Variation	Financing Charges	Total To Date	Due From (To) Customers
		($)	($)		($)	($)	($)
			(A + B)			(D+ E)	(C +F)
Opening Balance			790,787			(8,991,282)	(8,200,495)
January	3,204,044	4,983	3,999,814	1,688,492	(56,653)	(7,359,443)	(3,359,629)
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Total	3,204,044	4,983	3,999,814	1,688,492	(56,653)	(7,359,443)	(3,359,629)

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Industrial Surplus
January 31, 2014

	A	B	C	D	E
	Industrial Surplus	Teck Allocation	Industrial Allocation	Financing Charges	Cumulative Balance
	($)	($)	($)	($)	($) (A + B + C + D)
Opening Balance	0	0	0	0	(10,858,146)
January	0	103,799	674,977	(68,415)	(10,147,785)
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
	0				
Year to date	0	103,799	674,977	(68,415)	710,361
Total	0	103,799	674,977	(68,415)	(10,147,785)

Newfoundland and Labrador Hydro

Rate Stabilization Plan
Overall Summary
January 31, 2014

	A	B	C	D	E	F	G	H	I
	Hydraulic Balance	Utility Balance	Industrial Balance	Sub total	Segregated Load Balance	Utility Surplus	Industrial Surplus	Sub total Surplus	Total To Date
	($)	($)	($)	($)	($)	($)	($)	($)	($)
				(A + B + C)				**(F + G)**	**(D + E + H)**
	(from page 4)	**(from page 10)**	**(from page 11)**	**(from page 12)**					
Opening Balance	(39,801,010)	(80,173,930)	566,125	(119,408,815)	(8,200,495)	(115,330,446)	(10,858,146)	(126,188,592)	(253,797,902)
January	(43,594,664)	(72,624,750)	554,777	(115,664,637)	(3,359,629)	(116,057,124)	(10,147,785)	(126,204,909)	(245,229,175)
February									
March									
April									
May									
June									
July									
August									
September									
October									
November									
December									