

SIR-IC-NLH-014
NLH 2013 Second Interim Rates Application

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1 Q. Please provide the calculations for the July 1, 2014 NP RSP rider (both "current"
2 balance as well as fuel rider) assuming application of the RSP procedures as
3 approved.

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6 A. The calculations of the July 1, 2014 NP RSP rider as approved in Board Order No.
7 P.U. 9(2014) are provided in Attachment 1 to this response.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN FUEL PRICE PROJECTION RIDER
No. 6 0.7% Sulphur Fuel Price Projection
Utility Customer

Line**No Customer Allocation**

	Amount	Comments
1 March Fuel Price Projection	\$ 105.60	From Page 2
2 2007 Test Year Fuel Forecast Price	\$ 55.40	
3 Forecast Fuel Price Variance	\$ 50.20	Line 1 - Line 2
4 2007 Test Year No. 6 Barrels Consumed	1,878,188	From Line 41
5 Forecast Fuel Variance	\$ 94,285,038	Line 3 x Line 4
6 Utility Customer Allocation Ratio for March	93.84%	From Line 8
7 Utility Customer Allocation	\$ 88,477,079	Line 5 x Line 6

Calculation of Customer Allocation

	kWh	Percent of Total	Allocation of Rural	Total
8 12 months to date (Apr 2013-Mar 2014) Utility Sales	5,796,147,497	87.52%	6.32%	93.84%
9 12 months to date (Apr 2013-Mar 2014) Industrial Customer Sales	357,155,092	5.39%	0.00%	5.39%
10 12 months to date (Apr 2013-Mar 2014) Bulk Rural Energy	469,518,334	7.09%	-7.09%	0.00%
11 Total	6,622,820,923			

Calculation of Utility Customer RSP Rate

	Amount	Comments
12 Utility Allocation March	\$ 88,477,079	From Line 7
13 12 months to date Utility Sales (kWh)	5,796,147,497	From Line 8
14 Fuel Projection Rider (mills per kWh)	15.26	Line 12/Line 13 x 1000
15 March Balance	\$ (43,381,295)	March RSP
16 Forecast Financing Costs	\$ (2,004,306)	From Line 38
17 Forecast Recovery to June 30	\$ 13,426,103	Lines 23 to 25
18 Total to be recovered	\$ (31,959,498)	Lines 15 to 17
19 12 months to date (Apr 2013-Mar 2014) Utility Sales	5,796,147,497	From Line 8
20 Balance Rate (mills per kWh)	(5.51)	Line 18/Line 19 x 1000
21 RSP Adjustment Rate (mills per kWh)	9.75	Line 14 + Line 20

Utility Forecast Recovery

2013 - 2014

2007 Test Year Weighted Average Cost of Capital per annum	7.529%	
Nominal Financing Rate	7.281%	
		Total
	Sales	Financing
	kWh	Costs
		Adjustment
		To Date
		Balance
22 Balance Forward		\$ (43,381,295)
23 April	493,810,883	\$ (263,216) \$ 5,436,858
24 May	387,912,808	(231,825) 4,270,920
25 June	337,722,526	(207,318) 3,718,325
26 July	298,446,496	(186,015) 1,645,610
27 August	294,706,004	(177,159) 1,624,986
28 September	293,845,194	(168,374) 1,620,239
29 October	405,323,940	(159,565) 2,234,924
30 November	498,223,042	(146,972) 2,747,162
31 December	711,965,166	(131,196) 3,925,720
32 January	701,822,280	(108,173) 3,869,792
33 February	668,138,074	(85,349) 3,684,060
34 March	704,231,084	(63,514) 3,883,074
35 April	493,810,883	(40,339) 2,722,834
36 May	387,912,808	(24,063) 2,138,920
37 June	337,722,526	(11,231) 1,862,175
38 Total	\$ (2,004,306)	\$ 45,385,601

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
Less: Reduction in Test Year Barrels of No. 6 Fuel approved	
40 in Board Order No. P.U. 11 (2008) to reflect reduction in	
CBPP load and in compliance with Board Order No. P.U.22	
(2009).	(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, 2014

	\$/bbl
PIRA Forecast \$ US/bbl ⁽¹⁾	
July	103.55
August	105.00
September	103.06
October	97.79
November	95.10
December	92.30
January	92.50
February	91.01
March	90.30
April	90.40
May	90.65
June	91.94
Average \$US/bbl ⁽²⁾	95.30
NLH TestYear Contract Discount (\$US/bbl)	<u>(0.218)</u>
	\$95.08
Can\$/US\$ Noon Exchange Rate ⁽³⁾	<u>1.1107</u>
NLH Fuel Price Projection (\$Can/bbl) ⁽²⁾	<u><u>\$105.60</u></u>

Notes:

- (1) The forecast for July to June is based on the PIRA Energy Group, World Oil Market Forecast, dated March 25, 2014.
- (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 March 2014, rounded to 4 decimal places.