

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

	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%
9	12 months to date (Apr 2013-Mar 2014) Industrial Customer Sales	357,155,092	5.39%	0.00%
10	12 months to date (Apr 2013-Mar 2014) Bulk Rural Energy	469,518,334	7.09%	-7.09%
11	Total	6,622,820,923		0.00%

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%

	Sales kWh	Financing Costs	Adjustment	Total To Date Balance
22	Balance Forward			\$ (43,381,295)
23	April	493,810,883	\$ (263,216)	\$ 5,436,858 (38,207,653)
24	May	387,912,808	(231,825)	4,270,920 (34,168,558)
25	June	337,722,526	(207,318)	3,718,325 (30,657,551)
26	July	298,446,496	(186,015)	1,645,610 (29,197,955)
27	August	294,706,004	(177,159)	1,624,986 (27,750,128)
28	September	293,845,194	(168,374)	1,620,239 (26,298,263)
29	October	405,323,940	(159,565)	2,234,924 (24,222,903)
30	November	498,223,042	(146,972)	2,747,162 (21,622,714)
31	December	711,965,166	(131,196)	3,925,720 (17,828,190)
32	January	701,822,280	(108,173)	3,869,792 (14,066,570)
33	February	668,138,074	(85,349)	3,684,060 (10,467,858)
34	March	704,231,084	(63,514)	3,883,074 (6,648,298)
35	April	493,810,883	(40,339)	2,722,834 (3,965,802)
36	May	387,912,808	(24,063)	2,138,920 (1,850,944)
37	June	337,722,526	(11,231)	1,862,175 0
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 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	1,878,188

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>\$105.60</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.