

1 Q. Please provide from the Orders in Council evidence that the phase-in rates for the  
2 Industrial Customers cannot, as of January 1, 2014, be subject to different RSP  
3 adjustments (as was the case, for example, as between Corner Book Pulp and Paper  
4 and North Atlantic Refining, on the one hand, and Teck Resources predecessor  
5 entity, on the other hand, in 2007).  
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8 A. OC2013-089<sup>1</sup> as amended, Section 5, states that “Notwithstanding Items 1) through  
9 4) above, effective January 1, 2014, the Island Industrial Customers will be subject  
10 to Rate Stabilization Plan rate changes in accordance with the Board of  
11 Commissioners of Public Utilities-approved methodology”. The approved  
12 methodology outlined in the existing RSP rules provides for similar treatment for all  
13 Island Industrial Customers.  
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15 In addition to the normal RSP Adjustment Rate that will become effective January 1,  
16 2014, Hydro has proposed that a RSP Surplus Adjustment rate be implemented for  
17 Teck Resources with effect from September 1, 2013. OC2013-089 as amended,  
18 Section 3 and 4 states as follows:

- 19 “3) Teck Resources rate increase will be phased in, to a reasonable degree, in  
20 three equal annual percentage increases, and at the end of the phase-in  
21 period Teck Resources will be subject to the standard industrial rate; and  
22 4) Over the three year Island industrial rate phase in period, the shortfall in  
23 Newfoundland and Labrador Hydro's revenues when compared to revenue  
24 at the Board of Commissioners of Public Utilities-approved Island Industrial  
25 Customer rates, shall be funded from the Island Industrial Customer Rate  
26 Stabilization Plan”.

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<sup>1</sup> Included in Appendix A of the RSP filing,

1 To implement the Government OCs, Hydro has proposed Section E: RSP Surplus as  
2 new RSP rules for approval of the Board and these rules are included as Schedule B  
3 to the RSP filing. To implement Sections 3 and 4 above, with regard to Teck  
4 Resources, Page 11 of Schedule B shows an RSP Surplus Adjustment of (1.111) ¢ per  
5 kWh which is proposed to be effective for this customer from September 1, 2013 to  
6 August 31, 2014.