

- 1 Q. Application, Schedule B, page RSP-10 to RSP-12, section 2.2, Hydro states, in the
2 section dealing with Teck Resources:
3 **“Note: Once new base rates are approved based on Hydro’s 2013 Test Year, Hydro**
4 **will apply for the disposition of any differences between the adjustment amounts**
5 **calculated and the adjustment which would have been calculated using the 2013**
6 **approved Test Year rates. The difference will be refunded to, or collected from,**
7 **Teck Resources, in a manner to be approved by the Board.”**
8
9 If the change in the base rate for Teck Resources was phased in in the same manner
10 as the change in the base rates for Corner Brook Pulp and Paper and for North
11 Atlantic Refining Limited, please provide details of the forecast impact on the base
12 and RSP rates of Teck Resources compared to those proposed in the application.
13
14
15 A. Attachment 1 shows the forecast impact on the base and RSP rates for Teck
16 Resources if the phase-in of 2013 Test Year base rates was calculated in the same
17 manner as the other Industrial Customers.

Estimated Phase-In Rates for the 2013 to 2015 Industrial Customer Rates Phase In effective September 1, 2013
Teck Resources

Line No	A	B	C	D	E	
	2013 Test Year	Existing Revenue Including RSP at August 31 2013		Proposed Test Year Revenue		Reference
	Units	Rate	Revenue	Rate	Revenue	
			A x B		A x D	
Step 1: Determine Annual Percentage Increase for all IC						
1 Demand	835,400 kW	6.68 \$/kW/mo	\$5,580,472	9.13 \$/kW/mo	\$7,627,202	
2 Energy	408,400 MWh	36.76 mills/kWh	\$15,012,784	47.82 mills/kWh	\$19,529,688	
3 Specifically Assigned Charges			<u>\$684,312</u>		<u>\$1,795,436</u>	
4 Subtotal			\$21,277,568		\$28,952,326	Line 1 to 3
5 RSP (Teck, Vale, and Praxair)	110,400 MWh	(20.00) mills/kWh	(\$2,208,000)	mills/kWh	\$0	
6 RSP (Other Industrial Customers excluding Teck, Vale, and Praxair)	298,000 MWh	(7.85) mills/kWh	<u>(\$2,339,300)</u>	mills/kWh	<u>\$0</u>	
7 Total	408,400 MWh		\$16,730,268		\$28,952,326	Line 4 to 6
8 Difference between Total Proposed Test Year Revenue and Existing					(\$12,222,058)	Line 7, Col C less Line 7, Col E
9 mills/kWh			40.97		70.89	Line 7/Line 2, Col A
10 Annual Required Increase					20.1%	See Note 1
	F	G	H	I	J	
			Proposed Rates			
			September 1	September 1	September 1	
	2013 Test Year	Existing Rates	2013	2014	2015	
	Units		Col H * (1 + Col E), Line 10			2013 Test Year
Step 2: Calculate 3-Year (Interim) Phase-In Rate Components						
11 Demand (\$/kW/month)	114,000 kW	6.68	6.68	8.02	9.13	
12 Energy (mills/kWh)	71,800 MWh	36.76	36.76	44.15	47.82	
13 RSP (mills/kWh)	71,800 MWh	(20.00)				
14 Specifically Assigned Charges		\$186,169	\$186,169	\$223,589	\$215,009	
			K	L	M	
			Revenue at Proposed Rates			
			September 1	September 1	September 1	
		Existing Rates	2013	2014	2015	
Step 3: Revenue Proof						
15 Demand		\$761,520	\$761,520	\$914,280	\$1,040,820	Line 11, Col G,H, I, J * Line 11, Col F
16 Energy		\$2,639,368	\$2,639,368	\$3,169,970	\$3,433,476	Line 12, Col G,H, I, J * Line 12, Col F
17 Specifically Assigned Charges		\$186,169	\$186,169	\$223,589	\$215,009	Line 14
18 Subtotal		\$3,587,057	\$3,587,057	\$4,307,839	\$4,689,305	Line 15 to 17
19 RSP		<u>(\$1,436,000)</u>				Line 13, Col G * Line 13, Col F
20 Total		<u>\$2,151,057</u>	<u>\$3,587,057</u>	<u>\$4,307,839</u>	<u>\$4,689,305</u>	Line 18 to 19
21 % Change year over year			66.8%	20.1%	8.9%	

Note (1): ((40.97 mills per kWh/70.89 mills per kWh))^(1/(2012-2015))-1