

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 the other Industrial Customers compared to those proposed in the
13 Application.

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15
16 A. Attachment 1 shows the forecast impact to the other Industrial Customers if the
17 change in base rate for Teck Resources was phased in in the same manner as the
18 other Industrial Customers.

Estimated Phase-In Rates for the 2013 to 2015 Industrial Customer Rates Phase In effective September 1, 2013
Industrial Customers including 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 | | | | | | |
| 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 | | | \$684,312 | | \$1,795,436 | |
| 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 | (\$2,339,300) | mills/kWh | \$0 | |
| 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 |
|-------------------------------------------------------------|-------------|------------------|----------------|
| | September 1 | September 1 | September 1 |
| Existing Rates | 2013 | 2014 | 2015 |
| | | Col F * (1 + Col | |
| | | E), Line 10 | 2013 Test Year |
| Step 2: Calculate 3-Year (Interim) Phase-In Rate Components | | | |
| 11 Demand (\$/kW/month) | 6.68 | 6.68 | 8.02 |
| 12 Energy (mills/kWh) | 36.76 | 36.76 | 44.15 |
| 13 RSP (mills/kWh) | (7.85) | | |
| 14 Specifically Assigned Charges | \$684,312 | \$684,312 | \$821,859 |
| | | | \$1,795,436 |

| | I | J | K |
|----------------------------------|---------------|--------------|--------------|
| | September 1 | September 1 | September 1 |
| Existing Rates | 2013 | 2014 | 2015 |
| | | | |
| Step 3: Revenue Proof | | | |
| 15 Demand | \$5,580,472 | \$5,580,472 | \$6,699,908 |
| 16 Energy | \$15,012,784 | \$15,012,784 | \$18,030,860 |
| 17 Specifically Assigned Charges | \$684,312 | \$684,312 | \$821,859 |
| 18 Subtotal | \$21,277,568 | \$21,277,568 | \$25,552,627 |
| 19 RSP | (\$4,547,300) | | |
| 20 Total | \$16,730,268 | \$21,277,568 | \$25,552,627 |
| 21 % Change year over year | 27.2% | 20.1% | 13.3% |

Line 11 x Line 1, Col A
Line 12 x Line 2, Col A
Line 14
Line 15 to 17
Line 13 x Line 5, Col A
Line 18 to 19

Note (1): $((40.97 \text{ mills per kWh} / 70.89 \text{ mills per kWh}))^{(1/(2012-2015))} - 1$