Q. **Application, Schedule B, page RSP-10 to RSP-12, section 2.2, Hydro states, in the section dealing with Teck Resources:**
"Note: Once new base rates are approved based on Hydro's 2013 Test Year, Hydro will apply for the disposition of any differences between the adjustment amounts calculated and the adjustment which would have been calculated using the 2013 approved Test Year rates. The difference will be refunded to, or collected from, Teck Resources, in a manner to be approved by the Board."

Please provide to the Board a comparison that illustrates the impact on customers of the change to the load variation of the RSP as proposed in this Application. The comparison should include:

i. The current forecast load for the Industrial Customers and for Newfoundland Power Inc. over the upcoming three years (2014, 2015, and 2016);
ii. A significant reduction in load for the Industrial Customers in 2014 that carries forward into 2015 and 2016, while the forecast load for Newfoundland Power Inc. remains equal to that forecast in (i) above;
iii. A significant reduction in load for Newfoundland Power Inc. in 2014 that carries forward into 2015 and 2016, while the forecast load for Industrial Customers remains equal to that forecast in (i) above;
iv. A significant increase in load for the Industrial Customers in 2014 that carries forward into 2015 and 2016, while the forecast load for Newfoundland Power Inc. remains equal to that forecast in (i) above;
v. A significant increase in load for Newfoundland Power Inc. in 2014 that carries forward into 2015 and 2016, while the forecast load for the Industrial Customers remains equal to that forecast in (i) above;

vi. A significant increase in load for both the Industrial Customers and for Newfoundland Power Inc. in 2014 that continues into 2015 and 2016; and

vii. A significant reduction in load for both the Industrial Customers and for Newfoundland Power Inc. in 2014 that continues into 2015 and 2016.

For simplicity, the size of the significant increase and the significant reduction in load in each case should be the same.

A. Attachments 1 to 7 provide the forecast impact to NP and IC of the change to the load variation of the RSP as proposed in this Application, under the scenarios as outlined below:

(i) Current (June 2013) load forecast for both IC and NP for 2014 to 2016;

(ii) 100 GWh load reduction for IC for 2014 to 2016 and current forecast load for NP for 2014 to 2016;

(iii) 100 GWh load reduction for NP for 2014 to 2016 and current forecast load for IC for 2014 to 2016;

(iv) 100 GWh load increase for IC for 2014 to 2016 and current forecast load for NP for 2014 to 2016;

(v) 100 GWh load increase for NP for 2014 to 2016 and current forecast load for IC for 2014 to 2016;

(vi) 100 GWh load increase for both NP and IC for 2014 to 2016; and

(vii) 100 GWh load decrease for both NP and IC for 2014 to 2016.

Scenario (i): Current forecast load for both NP and IC for 2014 to 2016

PUB-NLH-17
Attachment 1

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,740,200,000	145,900,000	107.98	0.10400	10,568,691	29,704,604	2,087,816	265,183	31,792,419	21,223,728
2		Industrial Customers	408,400,000	599,600,000	191,200,000	107.98	0.04782	24,591,744	3,102,833			3,102,833	(21,488,911)
3		Rural Island		454,700,000					2,352,999				
4		Total		6,794,500,000				35,160,435	35,160,435			34,895,252	(265,183)
5	2015	Utility	5,594,300,000	5,792,500,000	198,200,000	107.98	0.10400	14,357,193	50,478,249	3,507,371	445,487	53,985,620	39,628,427
6		Industrial Customers	408,400,000	772,300,000	363,900,000	107.98	0.04782	46,804,057	6,730,143			6,730,143	(40,073,914)
7		Rural Island		453,600,000					3,952,859				
8		Total		7,018,400,000				61,161,250	61,161,250			60,715,763	(445,487)
9	2016	Utility	5,594,300,000	5,858,400,000	264,100,000	107.98	0.10400	19,130,852	72,620,995	4,887,961	620,842	77,508,955	58,378,104
10		Industrial Customers	408,400,000	959,600,000	551,200,000	107.98	0.04782	70,894,191	11,895,246			11,895,246	(58,998,946)
11		Rural Island		444,400,000					5,508,803				
12		Total		7,262,400,000				90,025,043	90,025,043			89,404,201	(620,842)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (ii): 100 GHW load reduction for IC for 2014 to 2016 and current forecast load for NP for 2014 to 2016

PUB-NLH-17
Attachment 2

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,740,200,000	145,900,000	107.98	0.10400	10,568,691	19,119,976	1,343,865	170,690	20,463,841	9,895,150
2		Industrial Customers	408,400,000	499,600,000	91,200,000	107.98	0.04782	11,729,953	1,664,113			1,664,113	(10,065,841)
3		Rural Island		454,700,000					1,514,556				
4		Total		6,694,500,000				22,298,644	22,298,644			22,127,954	(170,690)
5	2015	Utility	5,594,300,000	5,792,500,000	198,200,000	107.98	0.10400	14,357,193	40,439,208	2,809,831	356,889	43,249,039	28,891,845
6		Industrial Customers	408,400,000	672,300,000	263,900,000	107.98	0.04782	33,942,266	4,693,531			4,693,531	(29,248,735)
7		Rural Island		453,600,000					3,166,720				
8		Total		6,918,400,000				48,299,460	48,299,460			47,942,570	(356,889)
9	2016	Utility	5,594,300,000	5,858,400,000	264,100,000	107.98	0.10400	19,130,852	63,114,765	4,248,117	539,573	67,362,882	48,232,031
10		Industrial Customers	408,400,000	859,600,000	451,200,000	107.98	0.04782	58,032,400	9,260,797			9,260,797	(48,771,603)
11		Rural Island		444,400,000					4,787,690				
12		Total		7,162,400,000				77,163,252	77,163,252			76,623,679	(539,573)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (iii): 100 GHW load reduction for NP for 2014 to 2016 and current forecast load for IC for 2014 to 2016

PUB-NLH-17
Attachment 3

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,640,200,000	45,900,000	107.98	0.10400	3,324,900	23,520,122	1,682,444	213,695	25,202,565	21,877,665
2		Industrial Customers	408,400,000	599,600,000	191,200,000	107.98	0.04782	24,591,744	2,500,384			2,500,384	(22,091,360)
3		Rural Island		454,700,000					1,896,138				
4		Total		6,694,500,000				27,916,644	27,916,644			27,702,949	(213,695)
5	2015	Utility	5,594,300,000	5,692,500,000	98,200,000	107.98	0.10400	7,113,403	44,363,601	3,136,659	398,401	47,500,260	40,386,857
6		Industrial Customers	408,400,000	772,300,000	363,900,000	107.98	0.04782	46,804,057	6,018,798			6,018,798	(40,785,259)
7		Rural Island		453,600,000					3,535,060				
8		Total		6,918,400,000				53,917,460	53,917,460			53,519,058	(398,401)
9	2016	Utility	5,594,300,000	5,758,400,000	164,100,000	107.98	0.10400	11,887,061	66,554,166	4,557,408	578,857	71,111,575	59,224,514
10		Industrial Customers	408,400,000	959,600,000	551,200,000	107.98	0.04782	70,894,191	11,090,820			11,090,820	(59,803,371)
11		Rural Island		444,400,000					5,136,266				
12		Total		7,162,400,000				82,781,252	82,781,252			82,202,395	(578,857)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (iv): 100 GHW load increase for IC for 2014 to 2016 and current forecast load for NP for 2014 to 2016

PUB-NLH-17
Attachment 4

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,740,200,000	145,900,000	107.98	0.10400	10,568,691	39,982,186	2,810,185	356,934	42,792,371	32,223,680
2		Industrial Customers	408,400,000	699,600,000	291,200,000	107.98	0.04782	37,453,535	4,872,920			4,872,920	(32,580,615)
3		Rural Island		454,700,000					3,167,120				
4		Total		6,894,500,000				48,022,226	48,022,226			47,665,291	(356,934)
5	2015	Utility	5,594,300,000	5,792,500,000	198,200,000	107.98	0.10400	14,357,193	60,235,231	4,185,314	531,596	64,420,545	50,063,351
6		Industrial Customers	408,400,000	872,300,000	463,900,000	107.98	0.04782	59,665,848	9,070,901			9,070,901	(50,594,947)
7		Rural Island		453,600,000					4,716,910				
8		Total		7,118,400,000				74,023,041	74,023,041			73,491,445	(531,596)
9	2016	Utility	5,594,300,000	5,858,400,000	264,100,000	107.98	0.10400	19,130,852	81,868,987	5,510,423	699,904	87,379,409	68,248,558
10		Industrial Customers	408,400,000	1,059,600,000	651,200,000	107.98	0.04782	83,755,982	14,807,521			14,807,521	(68,948,462)
11		Rural Island		444,400,000					6,210,327				
12		Total		7,362,400,000				102,886,834	102,886,834			102,186,930	(699,904)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (v): 100 GHW load increase for NP for 2014 to 2016 and current forecast load for IC for 2014 to 2016

PUB-NLH-17
Attachment 5

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,840,200,000	245,900,000	107.98	0.10400	17,812,482	35,919,814	2,481,429	315,178	38,401,243	20,588,761
2		Industrial Customers	408,400,000	599,600,000	191,200,000	107.98	0.04782	24,591,744	3,687,805			3,687,805	(20,903,939)
3		Rural Island		454,700,000					2,796,606				
4		Total		6,894,500,000				42,404,226	42,404,226			42,089,048	(315,178)
5	2015	Utility	5,594,300,000	5,892,500,000	298,200,000	107.98	0.10400	21,600,984	56,624,621	3,867,669	491,250	60,492,290	38,891,306
6		Industrial Customers	408,400,000	772,300,000	363,900,000	107.98	0.04782	46,804,057	7,421,501			7,421,501	(39,382,556)
7		Rural Island		453,600,000					4,358,919				
8		Total		7,118,400,000				68,405,041	68,405,041			67,913,791	(491,250)
9	2016	Utility	5,594,300,000	5,958,400,000	364,100,000	107.98	0.10400	26,374,642	78,719,795	5,209,533	661,686	83,929,328	57,554,686
10		Industrial Customers	408,400,000	959,600,000	551,200,000	107.98	0.04782	70,894,191	12,677,819			12,677,819	(58,216,372)
11		Rural Island		444,400,000					5,871,220				
12		Total		7,362,400,000				97,268,834	97,268,834			96,607,147	(661,686)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (vi): 100 GHW load increase for both NP and IC for 2014 to 2016

PUB-NLH-17
Attachment 6

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,840,200,000	245,900,000	107.98	0.10400	17,812,482	46,145,484	3,187,843	404,902	49,333,327	31,520,846
2		Industrial Customers	408,400,000	699,600,000	291,200,000	107.98	0.04782	37,453,535	5,527,787			5,527,787	(31,925,748)
3		Rural Island		454,700,000					3,592,745				
4		Total		6,994,500,000				55,266,017	55,266,017			54,861,114	(404,902)
5	2015	Utility	5,594,300,000	5,892,500,000	298,200,000	107.98	0.10400	21,600,984	66,339,467	4,531,228	575,532	70,870,695	49,269,711
6		Industrial Customers	408,400,000	872,300,000	463,900,000	107.98	0.04782	59,665,848	9,820,605			9,820,605	(49,845,242)
7		Rural Island		453,600,000					5,106,760				
8		Total		7,218,400,000				81,266,832	81,266,832			80,691,300	(575,532)
9	2016	Utility	5,594,300,000	5,958,400,000	364,100,000	107.98	0.10400	26,374,642	87,934,487	5,819,345	739,141	93,753,832	67,379,189
10		Industrial Customers	408,400,000	1,059,600,000	651,200,000	107.98	0.04782	83,755,982	15,637,651			15,637,651	(68,118,331)
11		Rural Island		444,400,000					6,558,486				
12		Total		7,462,400,000				110,130,624	110,130,624			109,391,483	(739,141)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.

Scenario (vii): 100 GHW load reduction for both NP and IC for 2014 to 2016

PUB-NLH-17
Attachment 7

Line No			A	B	C	D	E	F	G	H	I	J	K
										Reallocate Rural Island Customers[4]			
			Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost[1]	Firm Energy Rate	Load Variation	Allocation of Load Variation [3]	Utility	Labrador Interconnected	Total Load Variation	Load Variation Difference
			(kWh)	(kWh)	(kWh)	($Can/bbl.)	($/kWh)	($)	($)	($)	($)	($)	($)
					(B-A)			**C x {(D/O^2) - E}**				**(G+H)**	**(J-F)**
1	2014	Utility	5,594,300,000	5,640,200,000	45,900,000	107.98	0.10400	3,324,900	12,876,243	921,065	116,989	13,797,307	10,472,407
2		Industrial Customers	408,400,000	499,600,000	91,200,000	107.98	0.04782	11,729,953	1,140,557			1,140,557	(10,589,396)
3		Rural Island		454,700,000					1,038,053				
4		Total		6,594,500,000				15,054,853	15,054,853			14,937,865	(116,989)
5	2015	Utility	5,594,300,000	5,692,500,000	98,200,000	107.98	0.10400	7,113,403	34,276,281	2,423,451	307,813	36,699,732	29,586,329
6		Industrial Customers	408,400,000	672,300,000	263,900,000	107.98	0.04782	33,942,266	4,048,124			4,048,124	(29,894,142)
7		Rural Island		453,600,000					2,731,264				
8		Total		6,818,400,000				41,055,669	41,055,669			40,747,855	(307,813)
9	2016	Utility	5,594,300,000	5,758,400,000	164,100,000	107.98	0.10400	11,887,061	57,009,547	3,903,825	495,842	60,913,372	49,026,311
10		Industrial Customers	408,400,000	859,600,000	451,200,000	107.98	0.04782	58,032,400	8,510,247			8,510,247	(49,522,153)
11		Rural Island		444,400,000					4,399,667				
12		Total		7,062,400,000				69,919,461	69,919,461			69,423,619	(495,842)

1) For the purpose of this response, the twelve month average No. 6 fuel cost from the 2013 Test Year Cost of Service Study was used.
2) O is the Holyrood Operating Efficiency of 612 kWh/barrel from the 2013 Test Year Cost of Service Study.
3) Calculated using the proportionate share of total twelve months-to-date actual energy sales for each customer class.
4) The load variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in same proportion as the Rural Deficit was allocated in the 2013 Test Year Cost of Service Study, which is 88.73% and 11.27%, respectively.