

1 Q. In the compliance application Hydro proposed to dispose of the current year  
 2 Industrial Customer RSP balance as of December 31, 2016 by calculating RSP  
 3 recovery adjustment rates to be implemented effective April 1, 2017. Please update  
 4 the proposals in relation to the Industrial Customer rates to reflect implementation  
 5 effective July 1, 2017.

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8 A. The Industrial Customer rate proposals (for each Industrial Customer and in total)  
 9 which reflect the July 1, 2017 implementation date were provided in Hydro's letter  
 10 to the Board of Commissioners of Public Utilities (the Board) filed April 21, 2017.<sup>1</sup>  
 11 Please see PUB-NLH-001, Attachment 1 – Island Industrial Customer Rate Impact.

12

13 The RSP recovery adjustment proposed in Hydro's GRA Compliance Application  
 14 does not change with a July 1, 2017 implementation date as it is calculated on the  
 15 December 31, 2016, RSP Current Plan balance. A summary of the overall proposals  
 16 related to the Industrial Customer RSP adjustments is provided in Table 1.

**Table 1**  
**Island Industrial Customers**  
**RSP Adjustments**

<b>Line No.</b>	<b>Particulars</b>	<b>Units</b>	<b>Existing</b>	<b>Effective April 1</b>	<b>Effective July 1</b>
1	RSP - Current Plan	<i>cents/kWh</i>	-	(0.373)	(0.373)
2	RSP - Fuel Rider	<i>cents/kWh</i>	-	0.150	0.625
3	RSP - Teck Adjustment	<i>cents/kWh</i>	(1.141)		-
4	RSP - IC Surplus Credit (Energy)	<i>cents/kWh</i>	(0.294)		-
5	RSP - IC Surplus Credit (Demand)	<i>\$/kW</i>	(1.52)		-

<sup>1</sup> By letter dated April 19, 2017, the Board requested that Hydro provide the current expected percentage rate impacts for both Newfoundland Power and the Island Industrial Customers as a result of the compliance application and the fuel price projection update.

**NEWFOUNDLAND AND LABRADOR HYDRO**  
**Island Industrial Customer Rate Impact**

**Total Island Industrial Customers**

	2015 Test Year		July 1, 2017				Percent Change vs Existing
	Billing Units	Unit	Existing	\$	Forecast	\$	
Demand (kW's)	1,064,800	\$/kW/mo	8.38	8,923,024	7.99	8,507,752	
Energy (MWh's)	621,400	¢/kWh	4.069	25,284,766	3.97	24,675,794	
Spec. Assigned		\$	684,312	684,312	1,639,833	1,639,833	
				34,892,102		34,823,379	-0.2%
RSP: Current Plan	621,400	¢/kWh	-	-	(0.373)	(2,317,822)	
RSP: Fuel Rider	621,400	¢/kWh	-	-	0.625	3,883,750	
RSP: Teck Rate	20,400	¢/kWh	(1.141)	(232,764)	-	-	
RSP: IC Surplus Credit (Demand)	1,064,800	\$/kW	(1.52)	(1,618,496)	-	-	
RSP: IC Surplus Credit (Energy)	621,400	¢/kWh	(0.294)	(1,826,916)	-	-	
Total RSP				(3,678,176)		1,565,928	
<b>Firm plus RSP</b>				<b>31,213,926</b>		<b>36,389,307</b>	<b>16.6%</b>

**NEWFOUNDLAND AND LABRADOR HYDRO  
Island Industrial Customer Rate Impact**

**Praxair**

	2015 Test Year		Existing		July 1, 2017 Forecast		Percent Change vs Existing
	Billing Units	Unit		\$		\$	
Demand (kW's)	72,000	\$/kW/mo	8.38	603,360	7.99	575,280	
Energy (MWh's)	51,600	¢/kWh	4.069	2,099,604	3.971	2,049,036	
Spec. Assigned		\$		-		-	
				<u>2,702,964</u>		<u>2,624,316</u>	-2.9%
RSP: Current Plan	51,600	¢/kWh	-	-	(0.373)	(192,468)	
RSP: Fuel Rider	51,600	¢/kWh	-	-	0.625	322,500	
RSP: IC Surplus Credit (Demand)	72,000	\$/kW	(1.52)	(109,440)	-	-	
RSP: IC Surplus Credit (Energy)	51,600	¢/kWh	(0.294)	(151,704)	-	-	
Total RSP				<u>(261,144)</u>		<u>130,032</u>	
<b>Firm plus RSP</b>				<u><b>2,441,820</b></u>		<u><b>2,754,348</b></u>	<b>12.8%</b>

**NEWFOUNDLAND AND LABRADOR HYDRO  
Island Industrial Customer Rate Impact**

**Vale**

	2015 Test Year				July 1, 2017 Forecast		Percent Change vs Existing
	Billing Units	Unit	Existing	\$		\$	
Demand (kW's)	488,800	\$/kW/mo	8.38	4,096,144	7.99	3,905,512	
Energy (MWh's)	280,800	¢/kWh	4.069	11,425,752	3.971	11,150,568	
Spec. Assigned		\$		-	480,243	480,243	
				<u>15,521,896</u>		<u>15,536,323</u>	0.1%
RSP: Current Plan	280,800	¢/kWh	-	-	(0.373)	(1,047,384)	
RSP: Fuel Rider	280,800	¢/kWh	-	-	0.625	1,755,000	
RSP: IC Surplus Credit (Demand)	488,800	\$/kW	(1.52)	(742,976)	-	-	
RSP: IC Surplus Credit (Energy)	280,800	¢/kWh	(0.294)	(825,552)	-	-	
Total RSP				<u>(1,568,528)</u>		<u>707,616</u>	
Firm plus RSP				<u><b>13,953,368</b></u>		<u><b>16,243,939</b></u>	<b>16.4%</b>

**NEWFOUNDLAND AND LABRADOR HYDRO  
Island Industrial Customer Rate Impact**

**CBPP**

	2015 Test Year		Existing	\$	July 1, 2017 Forecast	\$	Percent Change vs Existing
	Billing Units	Unit					
Demand (kW's)	108,000	\$/kW/mo	8.38	905,040	7.99	862,920	
Energy (MWh's)	44,800	¢/kWh	4.069	1,822,912	3.971	1,779,008	
Spec. Assigned		\$	347,167	347,167	870,898	870,898	
				<u>3,075,119</u>		<u>3,512,826</u>	14.2%
RSP: Current Plan	44,800	¢/kWh	-	-	(0.373)	(167,104)	
RSP: Fuel Rider	44,800	¢/kWh	-	-	0.625	280,000	
RSP: IC Surplus Credit (Demand)	108,000	\$/kW	(1.52)	(164,160)	-	-	
RSP: IC Surplus Credit (Energy)	44,800	¢/kWh	(0.294)	(131,712)	-	-	
Total RSP				<u>(295,872)</u>		<u>112,896</u>	
Firm plus RSP				<u>2,779,247</u>		<u>3,625,722</u>	30.5%

**NEWFOUNDLAND AND LABRADOR HYDRO  
Island Industrial Customer Rate Impact**

**NARL**

	2015 Test Year		Existing	\$	July 1, 2017 Forecast	\$	Percent Change vs Existing
	Billing Units	Unit					
Demand (kW's)	354,000	\$/kW/mo	8.38	2,966,520	7.99	2,828,460	
Energy (MWh's)	223,800	¢/kWh	4.069	9,106,422	3.971	8,887,098	
Spec. Assigned		\$	150,976	150,976	89,293	89,293	
				<u>12,223,918</u>		<u>11,804,851</u>	-3.4%
RSP: Current Plan	223,800	¢/kWh	-	-	(0.373)	(834,774)	
RSP: Fuel Rider	223,800	¢/kWh	-	-	0.625	1,398,750	
RSP: IC Surplus Credit (Demand)	354,000	\$/kW	(1.52)	(538,080)	-	-	
RSP: IC Surplus Credit (Energy)	223,800	¢/kWh	(0.294)	(657,972)	-	-	
Total RSP				<u>(1,196,052)</u>		<u>563,976</u>	
Firm plus RSP				<u>11,027,866</u>		<u>12,368,827</u>	12.2%

**NEWFOUNDLAND AND LABRADOR HYDRO  
Island Industrial Customer Rate Impact**

**Teck**

	2015 Test Year		July 1, 2017				Percent Change vs Existing
	Billing Units	Unit	Existing	\$	Forecast	\$	
Demand (kW's)	42,000	\$/kW/mo	8.38	351,960	7.99	335,580	
Energy (MWh's)	20,400	¢/kWh	4.069	830,076	3.971	810,084	
Spec. Assigned		\$	186,169	186,169	199,399	199,399	
				<u>1,368,205</u>		<u>1,345,063</u>	-1.7%
RSP: Current Plan	20,400	¢/kWh	-	-	(0.373)	(76,092)	
RSP: Fuel Rider	20,400	¢/kWh	-	-	0.625	127,500	
RSP: Teck Rate	20,400	¢/kWh	(1.14)	(232,764)	-	-	
RSP: IC Surplus Credit (Demand)	42,000	\$/kW	(1.52)	(63,840)	-	-	
RSP: IC Surplus Credit (Energy)	20,400	¢/kWh	(0.294)	(59,976)	-	-	
Total RSP				<u>(356,580)</u>		<u>51,408</u>	
<b>Firm plus RSP</b>				<u><b>1,011,625</b></u>		<u><b>1,396,471</b></u>	<b>38.0%</b>