
1 Q. **Re: Changes in Load Variation Component Allocation**

2 Please provide an update to NP-NLH-15 using the fuel rider calculated based on the
3 Rate Stabilization Plan Fuel Price Projection - IC (filed with the Board on October 16,
4 2009) and a recovery factor based on the forecast December 31, 2010 RSP balance
5 in the Industrial RSP, excluding the cumulative portion related to the Industrial RSP
6 load variation component. In the calculation, please assume the 2010 year-end
7 hydraulic balance will equal the balance at January 31, 2010.

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10 A. Please find attached an update to NP-NLH-15 using the fuel rider calculated based
11 on the Rate Stabilization Plan Fuel Price Projection - IC (filed with the Board on
12 October 16, 2009) and a recovery factor based on the forecast December 31, 2010
13 RSP balance in the Industrial RSP, excluding the cumulative portion related to the
14 Industrial RSP load variation component. The calculation assumes the 2010 year-
15 end hydraulic balance will equal the balance at January 31, 2010.

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN RECOVERY
Industrial Customers

December, 2010

Line

No	Calculation of Industrial Customer RSP Rate	Amount	Comments
	<u>Current Plan</u>		
1	December Balance	\$ (58,903,818)	December RSP, Page 11
2	Less: December 31, 2010 Load Variation	\$ (74,483,711)	
3	Forecast Financing Costs to December 31, 2011	\$ 619,964	Line 26
4	Total	\$ 16,199,857	Line 1 plus Line 2
5	12 months to date (Jan - Dec) Industrial Customer Sales (kWh)	408,500,000	December RSP, Page 9
6	(mills per kWh)	39.66	Line 3/Line 4*1000
7	Fuel Price Projection Rider		
8	Industrial Fuel Price Projection	\$ 3,743,238	Page 3, Line 7
9	12 months to date (Jan - Dec) Industrial Customer Sales (kWh)	408,500,000	December RSP, Page 9
10	(mills per kWh)	9.16	Line 7/Line 8*1000
11	Total Current Plan (mills per kWh)	<u>48.82</u>	Line 6 plus Line 10

Industrial Customer Forecast Financing Charges
2011

2007 Test Year Weighted Average Cost of Capital per annum 7.529%
Nominal Financing Rate 7.281%

	2010 Sales kWh	Financing Costs	Adjustment	Total To Date Balance	
12					
13	Balance Forward			15,579,893	
14	January	35,400,000	94,531	(1,403,964)	14,270,460
15	February	31,900,000	86,586	(1,265,154)	13,091,892
16	March	35,100,000	79,435	(1,392,066)	11,779,261
17	April	34,200,000	71,471	(1,356,372)	10,494,360
18	May	35,200,000	63,675	(1,396,032)	9,162,003
19	June	33,900,000	55,590	(1,344,474)	7,873,119
20	July	35,200,000	47,770	(1,396,032)	6,524,857
21	August	35,200,000	39,590	(1,396,032)	5,168,415
22	September	27,400,000	31,359	(1,086,684)	4,113,090
23	October	35,400,000	24,956	(1,403,964)	2,734,082
24	November	34,400,000	16,589	(1,364,304)	1,386,367
25	December	35,200,000	8,412	(1,396,032)	(1,253)
26	Total	<u>408,500,000</u>	<u>619,964</u>	<u>(16,201,110)</u>	

NEWFOUNDLAND AND LABRADOR HYDRO
RATE STABILIZATION PLAN ESTIMATED FUEL PRICE PROJECTION RIDER
Industrial Customers

October, 2009

Line

No	Customer Allocation	Amount	Comments
1	September Fuel Price Projection	\$ 81.05	
2	2007 Test Year Fuel Forecast Price	\$ 55.40	
3	Forecast Fuel Price Variance	\$ 25.65	Line 1 - Line 2
4	2007 Test Year No. 6 Barrels Consumed	1,878,188	Note 3
5	Forecast Fuel Variance	\$ 48,175,522	Line 3 x Line 4
6	Industrial Customer Allocation Ratio for September	7.77%	From Line 11
7	Industrial Customer Allocation September	\$ 3,743,238	Line 5 x Line 6

Calculation of Customer Allocation

	kWh	Percent of Total	Allocation of Rural	Total
8	12 months to date (Oct 2008 - Sep 2009) Utility Sales	4,999,960,523	85.27%	91.47%
9	12 months to date (Oct 2008 - Sep 2009) Industrial Customer Sales	488,905,941		
10	Less: Reduction in Industrial Sales due to Abitibi closure ⁽¹⁾	(33,373,300)		
11	Revised 12 months to date (Oct 2008 - Sep 2009) Industrial Customer Sales	455,532,641	7.77%	7.77%
12	12 months to date (Oct 2008 - Sep 2009) Bulk Rural Energy	408,071,177	6.96%	-6.96%
13	Total	5,863,564,341		

Estimate of Industrial Fuel Price Projection Rider

	Amount	Comments
<u>Rate Rider</u>		
14	Industrial Allocation September	\$ 3,743,238 From Line 7
15	12 months to date Industrial Sales (kWh)	455,532,641 From Line 11
16	Estimated Fuel Price Projection Rider (mills per kWh) ⁽²⁾	<u>8.22</u> Line 14/Line 15 x 1000

⁽¹⁾ Effective February 12, 2009, Abitibi Consolidated (Grand Falls) closed. For the 12 months to date (October 2008 - September 2009) Industrial sales are reduced by 33,373,300 kWh to reflect the reduction in Abitibi load.

⁽²⁾ The Industrial allocation of \$3,743,238 is established as calculated above. However, the actual fuel price projection rider will be calculated based on 12 month-to-date Industrial sales as of December, 2009.

⁽³⁾ Test Year Barrels reduced for Industrial Customers in the same manner as approved for Newfoundland Power in Section C2 of the RSP Rules.

2007 Test Year Barrels of No. 6. Fuel to be consumed at Holyrood	2,467,396
Approved Reduction	(589,208)
Revised Test Year Barrels	<u>1,878,188</u>