

1 Q. (RSP Application, CA-NLH-7, Attachments 1, 2 and 3) In the year 2010, the Actual
2 Revenues for Corner Brook Pulp & Paper and North Atlantic Refining are greater
3 than the revenues assuming no RSP rate freeze. In all other years the opposite is
4 true. It appears this is a result of a significant reduction in 2010 in the RSP
5 adjustment. Please explain.

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8 A. The RSP adjustment rate for 2010 assuming no IC RSP rate freeze and the proposed
9 load variation methodology change is (13.86) mills/ kWh, as detailed in the
10 response to CA-NLH-7, Attachment 3. The Current Plan portion of the RSP rate is
11 (23.59) mills/kWh driven primarily by lower fuel prices and consumption than
12 forecasted as well as a \$0.9 million hydraulic allocation. The Fuel Price Projection
13 Rider portion of the RSP rate is 9.73 mills/kWh which reflects a forecast fuel price of
14 \$81.05/bbl versus the 2007 Test Year price of \$55.40/bbl.