

1 Q. (Summary Report – Additional Cost of Service Information, Appendix L) Please
2 provide a numerical example showing how the Revised Energy Supply Cost Variance
3 Account and the RSP would be calculated, and displaying that there would be no
4 duplication or double counting.

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7 A. CA-NLH-288 Attachment 1 shows the impact on the Rate Stabilization Plan (RSP)
8 and the Revised Energy Supply Cost Variance Deferral Account of scenario where
9 there is a variance of +/-50 GWh of off-island power purchases.

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11 This scenario shows that the costs or savings from the variance in off-island power
12 purchases are captured in the Revised Energy Supply Cost Variance Deferral
13 Account and that no duplication or double counting occurs between the RSP and
14 the Revised Energy Supply Cost Variance Deferral Account.

		2019 Test Year	Off-Island Purchases Increase by 50GWh	Off-Island Purchases Decrease by 50GWh
Rate Stabilization Plan				
Section A: Hydraulic Production Variation				
2019 Test Year Cost of Service Net Hydraulic Production (kWh)	A	4,600,420,000	4,600,420,000	4,600,420,000
Actual Net Hydraulic Production (kWh)	B	4,600,420,000	4,600,420,000	4,600,420,000
Variation from TY (kWh)	A-B	-	-	-
Monthly Test Year Cost of Service No.6 Fuel Cost (\$Can/bbl)	D	63.83	63.83	63.83
Test Year Cost of Service Holyrood Net Conversion Factor (kWh/bbl)	C	583	583	583
Hydraulic Variation	{(A-B)/C} x D	-	-	-
Fuel Cost Variance				
Monthly Actual Average No. 6 Fuel Cost (\$Can/bbl)	G	63.83	63.83	63.83
Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can/bbl)	D	63.83	63.83	63.83
Variance	G-D	-	-	-
Monthly Actual Quantity of No. 6 Fuel Consumed less No. 6 fuel consumed for non-firm sales (bbl)	H	1,100,740	1,014,976	1,186,503
Fuel Cost Variation	(G-D) x H	-	-	-
NP Load Variation				
Actual Sales, by customer class (kWh)	I	5,833,600,000	5,833,600,000	5,833,600,000
Test Year Cost of Service Sales, by customer class (kWh)	J	5,833,600,000	5,833,600,000	5,833,600,000
Sales Variance	I-J	-	-	-
Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can/bbl)	D	63.83	63.83	63.83
Firm energy rate, by customer class (kWh)	K	0.10949	0.10949	0.10949
Test Year Cost of Service Holyrood Net Conversion Factor (kWh/bbl)	C	583	583	583
NP Load Variation	(I - J) x {(D/C) - K}	-	-	-
Industrial Load Variation				
Actual Sales, by customer class (kWh)	I	743,300,000	743,300,000	743,300,000
Test Year Cost of Service Sales, by customer class (kWh)	J	743,300,000	743,300,000	743,300,000
Sales Variance	I-J	-	-	-
Monthly Test Year Cost of Service No. 6 Fuel Cost (\$Can/bbl)	D	63.83	63.83	63.83
Firm energy rate, by customer class (kWh)	K	0.03334	0.03334	0.03334
Test Year Cost of Service Holyrood Net Conversion Factor (kWh/bbl)	C	583	583	583
Industrial Load Variation	(I - J) x {(D/C) - K}	-	-	-
Rate Stabilization Plan - Total		-	-	-

		2019 Test Year	Off-Island Purchases Increase by 50GWh	Off-Island Purchases Decrease by 50GWh
Revised Energy Supply Cost Variance Deferral Account				
<u>Holyrood Combustion Turbine</u>				
Actual Thermal Generation Cost (\$)		552,375	552,375	552,375
Test Year Thermal Generation Cost (\$)		552,375	552,375	552,375
(Actual Thermal Generation Cost - Test Year Thermal Generation Cost)	A	-	-	-
<u>Hardwoods Gas Turbine</u>				
Actual Thermal Generation Cost (\$)		625,617	625,617	625,617
Test Year Thermal Generation Cost (\$)		625,617	625,617	625,617
(Actual Thermal Generation Cost - Test Year Thermal Generation Cost)	A	-	-	-
<u>Stephenville Gas Turbine</u>				
Actual Thermal Generation Cost (\$)		72,412	72,412	72,412
Test Year Thermal Generation Cost (\$)		72,412	72,412	72,412
(Actual Thermal Generation Cost - Test Year Thermal Generation Cost)	A	-	-	-
<u>St. Anthony diesel</u>				
Actual Thermal Generation Cost (\$)		65,908	65,908	65,908
Test Year Thermal Generation Cost (\$)		65,908	65,908	65,908
(Actual Thermal Generation Cost - Test Year Thermal Generation Cost)	A	-	-	-
<u>Hawkes Bay diesel</u>				
Actual Thermal Generation Cost (\$)		32,968	32,968	32,968
Test Year Thermal Generation Cost (\$)		32,968	32,968	32,968
(Actual Thermal Generation Cost - Test Year Thermal Generation Cost)	A	-	-	-
Thermal Generation Cost Variance - Total	A			
<u>Off-Island Power Purchases</u>				
Actual kWh Purchases				
Test Year kWh Purchases				
Actual Off-Island Power Purchase Cost (\$)		58,462,144	58,567,644	58,356,644
Test Year Off-Island Power Purchase Cost (\$)		58,462,144	58,462,144	58,462,144
Actual Off-Island Power Purchase Cost (\$) - Test Year Off-Island Power Purchase Cost (\$)	B	-	105,500	(105,500)
<u>Nalcor Exploits</u>				
Actual kWh Purchases		614,997,360	614,997,360	614,997,360
Test Year kWh Purchases		614,997,360	614,997,360	614,997,360
Test Year Purchase Cost in \$/kWh		0.04000	0.04000	0.04000
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-
<u>Star Lake</u>				
Actual kWh Purchases		141,749,760	141,749,760	141,749,760
Test Year kWh Purchases		141,749,760	141,749,760	141,749,760
Test Year Purchase Cost in \$/kWh		0.04000	0.04000	0.04000
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-
<u>Rattle Brook</u>				
Actual kWh Purchases		14,840,000	14,840,000	14,840,000
Test Year kWh Purchases		14,840,000	14,840,000	14,840,000
Test Year Purchase Cost in \$/kWh		0.08637	0.08637	0.08637
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-

		2019 Test Year	Off-Island Purchases Increase by 50GWh	Off-Island Purchases Decrease by 50GWh
<u>CBPP CoGen</u>				
Actual kWh Purchases		66,530,000	66,530,000	66,530,000
Test Year kWh Purchases		66,530,000	66,530,000	66,530,000
Test Year Purchase Cost in \$/kWh		0.18870	0.18870	0.18870
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-
<u>St. Lawrence Wind</u>				
Actual kWh Purchases		104,800,000	104,800,000	104,800,000
Test Year kWh Purchases		104,800,000	104,800,000	104,800,000
Test Year Purchase Cost in \$/kWh		0.07221	0.07221	0.07221
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-
<u>Fermeuse Wind</u>				
Actual kWh Purchases		84,410,000	84,410,000	84,410,000
Test Year kWh Purchases		84,410,000	84,410,000	84,410,000
Test Year Purchase Cost in \$/kWh		0.07675	0.07675	0.07675
B = (Actual kWh Purchases - Test Year kWh Purchases) x (Test Year Purchase Cost in \$/kWh)	C	-	-	-
Test Year Power Purchase Variances resulting from volume - Total	C	-	-	-
Holyrood TGS Fuel Costs/(Savings) (\$)	D= (E/F)*G	-	(5,474,305)	5,474,305
Holyrood TGS Test Year average annual fuel cost per barrel	E	63.83	63.83	63.83
Test Year fuel conversion factor (kWh/bbl)	F	583	583	583
[(Test Year kWh Thermal Generation + Test Year kWh Power Purchases) - (Actual kWh Thermal Generation + Actual kWh Power Purchases)] for all defined sources	G	-	(50,000,000)	50,000,000
<u>Thermal</u>				
Test Year Production		5,974,000	5,974,000	5,974,000
Actual Production		5,974,000	5,974,000	5,974,000
Variance		-	-	-
<u>Power Purchase</u>				
Test Year Power Purchases		1,027,327,120	1,027,327,120	1,027,327,120
Actual Power Purchases		1,027,327,120	1,027,327,120	1,027,327,120
Variance		-	-	-
<u>Off-Island Purchases</u>				
Test Year Power Purchases		959,847,880	959,847,880	959,847,880
Actual Power Purchases		959,847,880	1,009,847,880	909,847,880
Variance		-	(50,000,000)	50,000,000
Energy Supply Cost Variance (\$)	A+B+C+D	-	(5,474,305)	5,474,305
Cost Variance Threshold (\$)		(500,000)	(500,000)	500,000
Revised Energy Supply Cost Variance Deferral (\$)		-	(4,974,305)	4,974,305