

1 Q. Please provide the most up-to-date RSP monthly report available incorporating all  
2 Compliance Application approvals and adjustments.

3

4

5 A. Please see IC-NLH-015 Attachment 1 for the March 31, 2017 RSP Report reflecting  
6 the 2015 Test Year.

7

8 This RSP report reflects the Compliance Application as filed with the exception of  
9 the proposed adjustment to recover the Island Industrial Customer cumulative  
10 2014-2017 revenue deficiency through their respective portion of the RSP Load  
11 Variation component. This adjustment was excluded as the recovery approach is  
12 currently being reviewed by the Board. Further, this report assumes Newfoundland  
13 Power's revenue sufficiency to the end of 2016 (\$5.753 million per Table 13 of the  
14 Compliance Application<sup>1</sup>) has been credited to Newfoundland Power's 2017  
15 opening Current Plan balance. The forecast Newfoundland Power revenue  
16 deficiency for 2017 and the proposal for its recovery will be provided in the final  
17 compliance rates calculations.

18

19 Any changes to the above noted assumptions or Hydro's Compliance Application as  
20 proposed will result in changes to the balances found in the attached RSP report.

---

<sup>1</sup> Exhibit 3, Page 19, Table 13.

**NEWFOUNDLAND AND LABRADOR HYDRO  
RATE STABILIZATION PLAN REPORT  
MARCH 31, 2017  
PRELIMINARY**

## Newfoundland and Labrador Hydro

### Rate Stabilization Plan Report March 31, 2017

**Summary of Key Facts**

The Rate Stabilization Plan of Newfoundland and Labrador Hydro (Hydro), as amended by Board Order No. P.U. 40 (2003) and Order No. P.U. 8 (2007), is established for Hydro’s utility customer, Newfoundland Power, and Island Industrial customers to smooth rate impacts for variations between actual results and Test Year cost of Service estimates for:

- Hydraulic production;
- No. 6 fuel cost used at Hydro’s Holyrood generating station;
- Customer load (Utility and Island Industrial); and
- Rural rates.

The Test Year Cost of Service Study is based on projections of events and costs that are forecast to happen during a test year. Finance charges are calculated on the balances using the test year Weighted Average Cost of Capital which is currently 6.61% per annum. Holyrood’s operating efficiency is set, for RSP purposes, at 618 kWh/barrel regardless of the actual conversion rate experienced.

	2015 Test Year Cost of Service			
	Net Hydraulic Production	No. 6 Fuel Cost	Utility Load	Industrial Load
	(kWh)	(\$Can/bbl.)	(kWh)	(kWh)
January	503,640,000	57.55	729,300,000	49,000,000
February	457,830,000	59.85	662,500,000	45,900,000
March	438,830,000	61.41	657,400,000	51,200,000
April	370,790,000	61.41	514,600,000	50,500,000
May	312,990,000	62.64	423,000,000	53,500,000
June	323,000,000	62.64	348,100,000	51,700,000
July	330,220,000	62.64	314,700,000	51,900,000
August	330,170,000	62.64	314,500,000	53,100,000
September	326,980,000	62.64	337,300,000	38,300,000
October	348,360,000	66.51	416,700,000	58,800,000
November	400,160,000	71.70	526,000,000	57,800,000
December	460,598,000	76.05	680,000,000	59,700,000
<b>Total</b>	<b>4,603,568,000</b>		<b>5,924,100,000</b>	<b>621,400,000</b>

**Rate Stabilization Plan  
Plan Highlights  
March 31, 2017**

	<u>Actual</u>	<u>Cost of Service</u>	<u>Variance</u>	<u>Year-to-Date Due (To) From customers</u>	<u>Reference</u>
<b>Hydraulic production year-to-date</b>	1,473.6 GWh	1,400.3 GWh	73.3 GWh	\$ (7,204,067)	Page 4
<b>No 6 fuel cost - Current month</b>	\$ 69.22	\$ 61.41	\$ 7.81	\$ 7,403,733	Page 5
<b>Year-to-date customer load - Utility</b>	2,060.9 GWh	2,049.2 GWh	11.7 GWh	\$ (64,054)	Page 8
<b>Year-to-date customer load - Industrial</b>	126.1 GWh	146.1 GWh	-20.0 GWh	\$ (1,098,742)	Page 10
				<u>\$ (963,130)</u>	
<b>Rural rates</b>					
Rural Rate Alteration (RRA)	\$ 3,104,332				
Less : RRA to utility customer	<u>\$ 2,962,911</u>				Page 9
RRA to Labrador interconnected	141,421				
Fuel variance to Labrador interconnected	<u>\$ 23,496</u>				Page 6
Net Labrador interconnected	<u>\$ 164,917</u>				
<b>Current plan summary</b>					
<b>One year recovery</b>					
Due (to) from utility customer	\$ (21,876,061)				Page 9
Due (to) from Industrial customers	<u>\$ (1,292,265)</u>				Page 11
Sub total	(23,168,326)				
<b>Four year recovery</b>					
Hydraulic balance	<u>\$ (28,970,904)</u>				Page 4
<b>Segregated Load Variation</b>					
Utility Customer	\$ (50,737,152)				
Industrial Customer	<u>\$ (3,247,046)</u>				Page 12
Sub Total	\$ (53,984,198)				
<b>Utility RSP Surplus</b>	\$ (23,378,949)				Page 13
<b>Industrial RSP Surplus</b>	<u>\$ 446,275</u>				Page 14
Total plan balance	<u>\$ (129,056,102)</u>				

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Net Hydraulic Production Variation  
March 31, 2017**

	A Cost of Service Net Hydraulic Production (kWh)	B Actual Net Hydraulic Production (kWh)	C Monthly Net Hydraulic Production Variance (kWh) <b>(A - B)</b>	D Cost of Service No. 6 Fuel Cost (\$/Can/bbl.)	E Net Hydraulic Production Variation (\$) <b>(C / O<sup>(1)</sup> X D)</b>	F Financing Charges (\$)	G Cumulative Variation and Financing Charges (\$) <b>(E + F)</b> <b>(to page 12)</b>
Opening balance							(37,018,152)
Compliance Adjustment							<u>15,610,907</u>
Adjusted Opening Balance							(21,407,245)
January	503,640,000	513,587,079	(9,947,079)	57.55	(926,231)	(114,493)	(22,447,969)
February	457,830,000	466,205,211	(8,375,211)	59.85	(811,154)	(120,059)	(23,379,182)
March	438,830,000	493,847,401	(55,017,401)	61.41	(5,466,682)	(125,040)	(28,970,904)
April							
May							
June							
July							
August							
September							
October							
November							
December							
	<u>1,400,300,000</u>	<u>1,473,639,691</u>	<u>(73,339,691)</u>		<u>(7,204,067)</u>	<u>(359,592)</u>	<u>(28,970,904)</u>
Hydraulic Allocation <sup>(2)</sup>							
Hydraulic variation at year end					<u>(7,204,067)</u>	<u>(359,592)</u>	<u>(28,970,904)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
No. 6 Fuel Variation  
March 31, 2017**

	A	B	C	D	E	F	G
	Actual Quantity No. 6 Fuel (bbl.)	Actual Quantity No. 6 Fuel for Non-Firm Sales (bbl.)	Net Quantity No. 6 Fuel (bbl.) <b>(A - B)</b>	Cost of Service No. 6 Fuel Cost (\$Can/bbl.)	Actual Average No. 6 Fuel Cost (\$Can/bbl.)	Cost Variance (\$Can/bbl.) <b>(E - D)</b>	No.6 Fuel Variation (\$) <b>(C X F) (to page 6)</b>
January	375,624	0	375,624	57.55	62.79	5.24	1,969,923
February	364,336	0	364,336	59.85	67.67	7.82	2,847,505
March	330,992	0	330,992	61.41	69.22	7.81	2,586,305
April							
May							
June							
July							
August							
September							
October							
November							
December							
	1,070,952	0	1,070,952				7,403,733

Newfoundland and Labrador Hydro

**Rate Stabilization Plan**  
**Allocation of Fuel Variance - Year-to-Date**  
**March 31, 2017**

	A	B	C	D	E	F	G	H	I	J
	Twelve Months-to-Date			Year-to-Date Fuel Variance				Reallocate Rural Island Customers <sup>(1)</sup>		
	Utility	Industrial Customers	Rural Island Customers	Total	Utility	Industrial Customers	Rural Island Interconnected	Total	Utility	Labrador Interconnected
	(kWh)	(kWh)	(kWh)	(kWh)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				(A+B+C)	(A/D X H)	(B/D X H)	(C/D X H)		(G X 89.10%)	(G X 10.90%)
					(to page 7)			(from page 5)	(to page 7)	
January	5,834,707,469	502,513,639	476,656,913	6,813,878,021	1,686,840	145,279	137,804	1,969,923	131,526	6,278
February	5,861,296,315	502,837,253	477,507,277	6,841,640,845	4,127,135	354,065	336,228	4,817,428	320,911	15,317
March	5,868,946,088	511,539,463	477,768,433	6,858,253,984	6,335,739	552,225	515,769	7,403,733	492,273	23,496
April										
May										
June										
July										
August										
September										
October										
November										
December										

(1) The Fuel Variance initially allocated to Rural Island Interconnected is re-allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Allocation of Fuel Variance - Monthly  
March 31, 2017**

	A	B	C	D	E	F	G
	Utility				Industrial		
	Fuel Variance		Rural Allocation		Total Fuel Variance	Fuel Variance	
	Year-to-Date	Current Month	Year-to-Date	Current Month	Activity for the month	Year-to-Date	Current Month
	Activity	Activity <sup>(1)</sup>	Activity	Activity <sup>(1)</sup>	the month	Activity	Activity <sup>(1)</sup>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 6)		(from page 6)		(B + D) (to page 10)	(from page 6)	(to page 11)
January	1,686,840	1,686,840	131,526	131,526	1,818,366	145,279	145,279
February	4,127,135	2,440,295	320,911	189,385	2,629,680	354,065	208,786
March	6,335,739	2,208,604	492,273	171,362	2,379,966	552,225	198,160
April							
May							
June							
July							
August							
September							
October							
November							
December							
		<u>6,335,739</u>		<u>492,273</u>	<u>6,828,012</u>		<u>552,225</u>

(1) The current month activity is calculated by subtracting year-to-date activity for the prior month from year-to-date activity for the current month.



Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Load Variation - Utility  
March 31, 2017**

	A	B	C	D	E	F	G	H	I	J	K
	Firm Energy					Secondary Energy					
	Cost of Service Sales	Actual Sales	Sales Variance	Cost of Service No. 6 Fuel Cost	Firm Energy Rate <sup>2</sup>	Load Variation	Cost of Service Sales	Actual Sales	Firming Up Charge <sup>2</sup>	Load Variation	Total Load Variation
	(kWh)	(kWh)	(kWh)	(\$Can/bbl.)	(\$/kWh)	(\$)	(kWh)	(kWh)	(\$/kWh)	(\$)	(\$)
			<b>(B - A)</b>			<b>C x {(D/O<sup>1</sup>) - E}</b>				<b>(G - H) x I</b>	<b>(F + J)</b>
											<b>(to page 10)</b>
January	729,300,000	723,432,142	(5,867,858)	57.55	0.10422	65,158	0	784,140	0.02882	(22,599)	42,559
February	662,500,000	660,922,054	(1,577,946)	59.85	0.10422	11,627	0	559,455	0.02882	(16,123)	(4,496)
March	657,400,000	674,523,311	17,123,311	61.41	0.10422	(83,172)	0	657,366	0.02882	(18,945)	(102,117)
April											
May											
June											
July											
August											
September											
October											
November											
December											
	<u>2,049,200,000</u>	<u>2,058,877,507</u>	<u>9,677,507</u>			<u>(6,387)</u>	<u>0</u>	<u>2,000,961</u>		<u>(57,667)</u>	<u>(64,054)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

(2) Per Board Order No. P.U. 9(2016) firm energy rate for Utility is 9.509 cents per kWh effective December 1, 2015 and a firming up charge of 0.908 cents per kWh effective December 1, 2015.

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Summary of Utility Customer  
March 31, 2017**

	A	B	C	D	E	F	H
	Load Variation	Allocation Fuel Variance	Allocation Rural Rate Alteration <sup>(1)</sup>	Subtotal Monthly Variances	Financing Charges	Adjustment <sup>(2)</sup>	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 8)	(from page 7)		(A + B + C)			(to page 12)
Opening Balance							(68,976,964)
Compliance Adjustment							<u>12,559,457</u>
Adjusted Opening Balance							(56,417,507)
January		1,818,366	914,425	2,732,791	(301,740)	8,951,313	(45,035,143)
February		2,629,680	940,213	3,569,893	(240,863)	8,175,911	(33,530,202)
March		2,379,966	1,108,273	3,488,239	(179,331)	8,345,233	(21,876,061)
April							
May							
June							
July							
August							
September							
October							
November							
December							
Year to date		6,828,012	2,962,911	9,790,923	(721,934)	25,472,457	34,541,446
Hydraulic allocation							0
<b>Total</b>		<b>6,828,012</b>	<b>2,962,911</b>	<b>9,790,923</b>	<b>(721,934)</b>	<b>25,472,457</b>	<b>(21,876,061)</b>

(1) The Rural Rate Alteration is allocated between Utility and Labrador Interconnected customers in the same proportion which the Rural Deficit was allocated in the approved Cost of Service Study, which is 89.10% and 10.90% respectively. The Labrador Interconnected amount is then removed from the plan and written off to net income (loss).

(2) The RSP adjustment rate for the Utility was 0.183 cents per kWh effective July 1, 2015 to June 30, 2016 and is 1.236 cents per kWh effective July 1, 2016 to June 30, 2017.

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Load Variation - Industrial  
March 31, 2017**

	A	B	C	D	E	F
	Cost of Service Sales (kWh)	Actual Sales (kWh)	Sales Variance (kWh)	Cost of Service No. 6 Fuel Cost (\$)	Firm Energy Rate (\$/kWh)	Load Variation (\$)
			<b>(B - A)</b>			<b>C x {(D/O<sup>1</sup>) - E}</b> <b>(to page 11)</b>
January	49,000,000	36,580,091	(12,419,909)	57.55	0.03971	(663,296)
February	45,900,000	39,488,172	(6,411,828)	59.85	0.03971	(366,383)
March	51,200,000	50,042,258	(1,157,742)	61.41	0.03971	(69,063)
April						
May						
June						
July						
August						
September						
October						
November						
December						
	<u>146,100,000</u>	<u>126,110,521</u>	<u>(19,989,479)</u>			<u>(1,098,742)</u>

(1) O is the Holyrood Operating Efficiency of 630 kWh/barrel.

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Summary of Industrial Customers  
March 31, 2017**

	A	B	C	D	E	F
	Load Variation	Allocation Fuel Variance	Subtotal Monthly Variances	Financing Charges	Adjustment	Cumulative Net Balance
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 9)	(from page 7)	(A + B)			(to page 12)
Opening Balance						(2,578,000)
Compliance Adjustment						<u>760,158</u>
Adjusted Opening Balance						(1,817,842)
January		145,279	145,279	(9,722)	0	(1,682,285)
February		208,786	208,786	(8,997)	0	(1,482,496)
March		198,160	198,160	(7,929)	0	(1,292,265)
April						
May						
June						
July						
August						
September						
October						
November						
December						
Year to date	0	552,225	552,225	(26,648)	0	525,577
Hydraulic allocation (from page 4)						0
<b>Total</b>	<b>0</b>	<b>552,225</b>	<b>552,225</b>	<b>(26,648)</b>	<b>0</b>	<b>(1,292,265)</b>

Newfoundland and Labrador Hydro

**Rate Stabilization Plan**  
**Load Variation January - December 2014**  
**March 31, 2017**

	A	B	C	D	E	F	G
	Utility Customer			Island Industrial Customers			Total To Date <sup>(1)</sup>
	Load Variation	Financing Charges	Total To Date	Load Variation	Financing Charges	Total To Date	Total To Date <sup>(1)</sup>
		(\$)	(\$)		(\$)	(\$)	(\$)
	(from page 8)		( A + B )	(from page 9)		( D+ E )	( C +F )
							(to page 15)
Opening Balance			(9,328,286)			(81,948,901)	(91,277,187)
Compliance Adjustment			<u>(39,540,053)</u>			<u>78,839,381</u>	<u>39,299,328</u>
Adjusted Opening Balance			(48,868,339)			(3,109,520)	(51,977,859)
January	(573,070)	(261,364)	(49,702,773)	(45,778)	(16,631)	(3,171,929)	(52,874,702)
February	(342,655)	(265,827)	(50,311,255)	(27,102)	(16,965)	(3,215,996)	(53,527,251)
March	(156,817)	(269,081)	(50,737,152)	(13,850)	(17,200)	(3,247,046)	(53,984,198)
April							
May							
June							
July							
August							
September							
October							
November							
December							
<b>Total</b>	<u><u>(1,072,541)</u></u>	<u><u>(796,272)</u></u>	<u><u>(50,737,152)</u></u>	<u><u>(86,730)</u></u>	<u><u>(50,796)</u></u>	<u><u>(3,247,046)</u></u>	<u><u>(53,984,198)</u></u>

(1) Per Board Order No. P.U. 29(2013), the load variation from the Industrial and Utility Customers as of September 1, 2013 be held in a separate account until its disposition.

## Newfoundland and Labrador Hydro

<b>Rate Stabilization Plan</b> <b>Utility RSP Surplus</b> <b>March 31, 2017</b>
---

	A	B	C	D
	Industrial Customer Adjustment	Utility Payout	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)
	<b>(from page 10)</b>			<b>(to page 15)</b>
Opening Balance				(143,390,469)
Compliance Adjustment				<u>2,361,345</u>
Adjusted Opening Balance				(141,029,124)
January			(754,271)	(141,783,395)
February		118,912,863	(758,305)	(23,628,837)
March		376,263	(126,375)	(23,378,949)
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year to date	-	119,289,126	(1,638,951)	117,650,175
Total			<u>(1,638,951)</u>	<u>(23,378,949)</u>

<sup>1</sup> The RSP Surplus Payout and Admin Costs are comprised of a payout of \$118,912,863, Hydro admin costs of \$59,087 and NL F costs of \$376,263.

Newfoundland and Labrador Hydro

**Rate Stabilization Plan  
Industrial RSP Surplus  
March 31, 2017**

	A	B	C	D	E
	Industrial Surplus	Teck Allocation <sup>(1)</sup>	Industrial Drawdown <sup>(2)</sup>	Financing Charges	Cumulative Balance
	(\$)	(\$)	(\$)	(\$)	(\$)
	<b>(from page 11)</b>				<b>(to page 15)</b>
Opening Balance					(388,883)
Compliance Adjustment					<u>97,695</u>
Adjusted Opening Balance					(291,188)
January		4,835	222,983	(1,557)	(64,927)
February		4,257	233,053	(347)	172,036
March		4,677	268,642	920	446,275
April					
May					
June					
July					
August					
September					
October					
November					
December					
Year to date	0	13,769	724,678	(984)	737,463
Total	0	13,769	724,678	(984)	446,275

(1) Per Board Order No. P.U. 29(2013), the RSP drawdown adjustment rate for Teck Resources is 1.111 cents per kWh effective September 1, 2013. Effective July 1, 2015 the RSP drawdown adjustment rate for Teck Resources is 1.141 cents per kWh.

(2) Drawdown of Industrial Customers RSP Surplus balance effective July 1, 2015 using RSP Adjustment rates for all Industrial Customers are \$1.52 per kW per month and 0.294 cents per kWh as approved in Board Order No. P.U. 35(2015).

Newfoundland and Labrador Hydro

<p><b>Rate Stabilization Plan Overall Summary March 31, 2017</b></p>
--

	A	B	C	D	E	F	G
	Hydraulic Balance	Utility Balance	Industrial Balance	Segregated Load Balance	Utility RSP Surplus	Industrial RSP Surplus	Total To Date
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	(from page 4)	(from page 10)	(from page 11)	(from page 12)	(from page 13)	(from page 14)	(A + B + C + D + E + F)
Opening Balance	(37,018,152)	(68,976,964)	(2,578,000)	(91,277,187)	(143,390,469)	(388,883)	(343,629,655)
Compliance Adjustment	<u>15,610,907</u>	<u>12,559,457</u>	<u>760,158</u>	<u>39,299,328</u>	<u>2,361,345</u>	<u>97,695</u>	<u>70,688,890</u>
Adjusted Opening Balance	(21,407,245)	(56,417,507)	(1,817,842)	(51,977,859)	(141,029,124)	(291,188)	(272,940,765)
January	(22,447,969)	(45,035,143)	(1,682,285)	(52,874,702)	(141,783,395)	(64,927)	(263,888,421)
February	(23,379,182)	(33,530,202)	(1,482,496)	(53,527,251)	(23,628,837)	172,036	(135,375,932)
March	(28,970,904)	(21,876,061)	(1,292,265)	(53,984,198)	(23,378,949)	446,275	(129,056,102)
April							
May							
June							
July							
August							
September							
October							
November							
December							