

1 counsel on both of the other parties to speak to this,
 2 it's Hydro's view that there is no need to make an
 3 order in the year 2000 in relation to the industrial rates
 4 that were changed about ten months ago, and the
 5 reason for that is as follows. Hydro will be filing a
 6 general rate application in the coming year, in 2001.
 7 At the present time the schedule for that filing looks
 8 like May of 2001, and what we would anticipate from
 9 that is perhaps a hearing could be held, given the
 10 amount of time that would normally occur after a
 11 filing, in the late summer or early autumn of 2001,
 12 and it's our intention at this point that we would be
 13 asking for a rate change to take effect as of January
 14 1st, 2002. And it is our submission that many of the
 15 other issues which could ultimately be dealt with at the
 16 next phase of the hearing that we're involved in today
 17 would arise under that general rate review, and that
 18 would include the cost of service issues, whether or
 19 not it's the generic or other, whether or not there are
 20 other rate setting issues which might arise, and at that
 21 time also I think it would be appropriate and could
 22 possibly be accommodated for any concern as to
 23 whether the existing interim order was appropriate. It
 24 could be revisited at that point and either made final
 25 or, if it's found upon a review that it wasn't an
 26 appropriate rate, there could be a refund made under
 27 Section 75(3) of the Act.

28 Mr. Chair, I think having said that, obviously
 29 there are other issues which could arise that I could
 30 speak to, but I think having said that I would ask if it
 31 pleases the Board that the other parties be heard on
 32 this point.

33 MR. VARDY, CHAIRMAN: Just before we do that,
 34 I want to just ask for some clarification with the
 35 question with regard to the interim order. Would it be
 36 Hydro's position to request the Board to extend the
 37 interim order for some finite period, and I wonder
 38 what that finite period would be?

39 MR. YOUNG: I think the finite period would be
 40 proper until the next decision is made of the Board
 41 following the general rate application and I would
 42 think that perhaps the next time a rate change would
 43 be expected based upon the schedule I just laid out
 44 would be January 1, 2002, so that would be the finite
 45 period.

46 MR. VARDY, CHAIRMAN: Thank you. Ms.
 47 Henley Andrews?

48 MS. HENLEY ANDREWS: Mr. Chairman, there are
 49 several things. One is this issue of the Grant Thornton
 50 report, and my concern with respect to the numbers
 51 and that Mr. Young has clarified this morning is that
 52 the report leaves the impression that the industrial
 53 customers have somehow been enriched as a result of
 54 the implementation of the interim methodology
 55 without fully implementing the methodology approved
 56 in 1993. If you look at the data that has now been
 57 submitted by Newfoundland and Labrador Hydro, you
 58 will see that the island industrial customers actually
 59 stand to save a further \$700,000 as a result of the full
 60 implementation of the 1993 cost of service as opposed
 61 to having to pay more, and I thought that that was a
 62 very important point to clarify for the Board because
 63 the island industrial customers certainly have not been
 64 enriched as a result of the delay in the implementation
 65 of the 1993 cost of service methodology, quite
 66 contrary.

67 Having said that, the island industrial
 68 customers are satisfied, as Mr. Young indicated, to
 69 have the interim order extended to January 1st of
 70 2002, and in addition the island industrial customers
 71 don't feel that it is necessary to conduct a review of
 72 the 1993 cost of service methodology, that there is no
 73 material that is currently available to us or that has
 74 been provided by the Board that indicates that there
 75 has been any quantum shift in normal methodologies
 76 since 1993. The hearing in 1993 was very
 77 comprehensive, it was extremely expensive, and it was
 78 long, and all of those factors would cause us to take
 79 the position that unless there is some overwhelming
 80 evidence indicating that there ought to be a change or
 81 refinement to the cost of service methodology that was
 82 approved in 1993, then it should be considered to be
 83 the cost of service methodology and that there should
 84 be no contemplation of any changes at this time.

85 MR. VARDY, CHAIRMAN: Okay. Mr. Alteen?

86 (9:45 a.m.)

87 MR. ALTEEN: Thank you, Mr. Chairman. On the
 88 question of our participation in the proceeding, in our
 89 notice of intervention we've laid out that
 90 Newfoundland Power is the purchaser of
 91 approximately 70 percent of Hydro's production on
 92 the Island of Newfoundland. I would expect that that
 93 fact alone and the fact that that power is substantially
 94 resold to consumers would entitle us to participate in
 95 this proceeding, particularly given the observation in