

1 Q. Why has the price to industry trailed the price of electricity to NP; i.e., about
2 89% for industry, 105% for NP and 113% for CPI (see chart on page 28 of
3 Mr. Wells' Prefiled Testimony). Provide the same chart, but include the
4 average price of electricity to consumers in Canada. Please provide a similar
5 chart for consumers in Atlantic Canada.

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7 A. The main reason for the lower price to industry, in comparison to
8 Newfoundland Power, is the three separate rate reductions Industrial
9 customers have experienced in base rates since 1991. Hydro's Board of
10 Directors approved rate decreases for Industrial customers in each of 1993
11 and 1994 totaling approximately 8%. In 1999 the PUB approved an 11%
12 reduction effective January 1, 2000 when the rural deficit was eliminated
13 from Industrial rates. These rate decreases have been partially offset by
14 increases in the RSP over the period.

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16 Residential electricity costs are consistently tracked by Statistics Canada as
17 a component of the overall consumer price index. The charts attached
18 provide the data for Canadian and Atlantic Canada consumers as requested.

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