

Q. On page 14, lines 4 to 9, Mr. Brockman refers to Mr. Bowman's "recommendations to:

- (1) force Hydro to serve one of its major consumers (Newfoundland Power) on a rate that neither Hydro nor its customer desire; and**
- (2) force Hydro to redesign all its rates according to a Board appointed consultant's rate designs."**

Please point to the area of Mr. Bowman's testimony where these recommendations are made, and repeat the wording he used in these specific recommendations.

A. Mr. Brockman inferred that Mr. Bowman was making these recommendations by considering various pieces of what Mr. Bowman said. Specifically,

"In spite of the Board's efforts over the years, Hydro's proposed rates fail to meet its design criteria, particularly with regard to market efficiency and cost-based rates. In this regard, I recommend that the Board hire an independent consultant to review and recommend rate designs for customers in Newfoundland. The Board should table the independent consultant's report at a public hearing." (p 3-4)

At pages 10-14 of his evidence, Mr. Bowman explains why he feels there should be a demand/energy rate for NP, despite the fact that they have both studied it and rejected it. Since both Hydro and NP have considered the rate, Mr. Bowman's intent seems to be to convince the Board to take some action. If Mr. Brockman has misread Mr. Bowman's intent, he apologizes and hopes to hear Mr. Bowman make his intentions clear on the matter.

Mr. Brockman sees little purpose in an independent consultant's report, unless it is to attempt to design rates for Hydro because we believe they are either incapable of doing so themselves, or because they refuse to do so.