

**NEWFOUNDLAND BOARD OF PUBLIC UTILITIES  
DATA RESPONSES  
TO  
NEWFOUNDLAND & LABRADOR HYDRO**

**NLH 31** (Re: p. 9, Lines 6-9) Identify any circumstances which would have changed since 1985 regarding customer bill volatility. Outline how circumstances have changed which would warrant the elimination of the Rate Stabilization Plan at this time?

**RESPONSE:**

Customer bill volatility, absent the RSP, would be increased by such factors as fluctuating fuel prices, inflation, money costs, exchange rates, and variations in operating efficiency and use patterns.

Inflation and money cost volatility has generally been less in recent years than in the early 1980s and fuel prices, while certainly not stable, have also been somewhat less volatile and changes more predictable than in the late 1970s and early 1980s. If Hydro is now expected to act and perform as would a private sector utility, it should attempt to provide more timely and accurate price signals to all market participants.