

1 Q. Explain why Hydro did not apply to the Public Utilities Board in the period  
2 June 9, 1994 to November 19, 1999 to implement the power policy of the  
3 province as expressed in Section 3(a)(iv) of the Electrical Power Control Act,  
4 1994 that the Industrial Customer’s contribution to the Rural subsidy “shall be  
5 gradually reduced during the period prior to December 31, 1999.”  
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7 A. Though the *Electrical Power Control Act, 1994* obtained royal assent on June  
8 9, 1994, it was not proclaimed to come into force until later – effective  
9 January 1, 1996. After the Act went into effect, Hydro had discussions with  
10 Government as to the reduction of the Industrial Customers’ contribution to  
11 the Rural subsidy and were advised Government’s policy as expressed in  
12 Section 3(a)(iv) was under review. One of the options being considered was  
13 the repeal of this section.  
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15 Clarification/direction was sought by Hydro from 1996-1999. In August of  
16 1998 Government announced it was undertaking an Energy Policy Review  
17 that would consider a broad range of regulatory and utility industry structure  
18 issues. Hydro received direction from Government to apply for a change to  
19 industrial rates in October, 1999 (copy of letter of direction attached).