

IN THE MATTER OF the *Public Utilities Act*,
R.S.N. 1990, c. P-47 (the “Act”)

AND IN THE MATTER OF a General Rate Application (the “Application”) by Newfoundland and Labrador Hydro dated the 21st day of May, 2003, for approvals under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, rural customers, and industrial customers; and under Section 71 of the Act, changes in the rules and regulations applicable to the supply of electricity to rural customers

**CONSUMER ADVOCATE’S ISSUES LIST
(Submitted September 5, 2003)**

The Consumer Advocate would identify, *inter alia*, the following issues which may arise in this proceeding:

1. What is the appropriate rate base for Hydro?
2. What is the appropriate return on rate base for Hydro?
3. What is the appropriate return on equity for Hydro?
4. What should Hydro’s deemed capital structure be?
5. Should there be an automatic adjustment formula implemented?
6. Revenue Requirement Issues:
 - (a) Should a productivity allowance be implemented?
 - (b) How was the 2001 productivity allowance accounted for?
 - (c) The overall efficiency of Hydro.
 - (d) What is the appropriate revenue requirement?
 - (e) Forecast test year – No. 6 fuel price
 - (f) What is the appropriate hydraulic production forecast for the test year?

7. Cost of Service Issues:

- (a) Demand/energy rate structure for Newfoundland Power (issues of rate design).
- (b) Rate options for customers and time bound plans for implementation thereof.
- (c) Lifeline block/lifeline requirements.
- (d) Statistical information/peer group comparators.
- (e) Energy Policy Review.
- (f) Hydro's basic customer charge.
- (g) Domestic diesel customer rates.
- (h) Customer evaluation of services.
- (i) Duplication between Newfoundland Power and Hydro.
- (j) Conservation and, in particular, Hydro's response to the Climate Change Plan for Canada as announced on the 12th of August, 2003, by the Federal Government.

8. Finally, the Consumer Advocate submits that all of the evidence filed by Newfoundland and Labrador Hydro and other parties has not been completely reviewed to date. Therefore, the Consumer Advocate reserves the right to take issue with each and every relevant matter which may arise therein as required by the Consumer Advocate's mandate.

DATED AT St. John's, in the Province of Newfoundland and Labrador, this 5th day of September, 2003.

CONSUMER ADVOCATE

Stephen Fitzgerald, Counsel for the Consumer Advocate
P.O. Box 23135, Terrace on the Square, Level II
St. John's, Newfoundland and Labrador, A1B 4J9

Telephone: (709) 724-3800
Telecopier: (709) 754-3800