

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

IN THE MATTER OF a General Rate Application
(the “Application”) by Newfoundland and Labrador
Hydro for approvals of, 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.

**NEWFOUNDLAND POWER’S ISSUES LIST
(Submitted September 2, 2003)**

In Newfoundland Power’s submission, the following issues arise in this proceeding:

A. Issues Affecting Return

1. Should Hydro be treated as an investor-owned utility for the purpose of determining Hydro’s rate of return on equity and rate of return on rate base?
2. Should Hydro be treated as an investor-owned utility considering the application of Hydro’s dividend policy, the debt guarantee fee, the rural deficit, government directives, and any other relevant factors?
3. What return on equity should Hydro be entitled to earn?
4. What return on rate base should Hydro be entitled to earn?
5. What is the appropriate capital structure for Hydro for determining return on rate base?
6. What mechanism should be created to deal with potential excess earnings by Hydro?
7. Should Hydro be subject to an annual automatic adjustment formula?
8. What is the appropriate 2004 forecast rate base?

B. Revenue Requirement Issues

9. What is Hydro's test year revenue requirement?
10. What operational cost reductions and efficiencies should be considered?
11. What productivity allowance should be implemented?
12. Has Hydro properly capitalized internal costs?
13. What hydraulic production forecast should be used for determining test year costs?
14. What is the proper conversion factor for No. 6 fuel for Holyrood?

C. Rates, Rules and Regulations Issues

15. Is a Demand/Energy Rate Structure for Newfoundland Power appropriate?
16. How should any increased revenue from the proposed automatic annual rate adjustments for Hydro's Customers be dealt with?

D. Other

17. Issues arising from the Evidence and Issues Lists of other Intervenors and the Board's Staff as they may affect or impact Newfoundland Power or its customers.

DATED at St. John's, Newfoundland, this 2nd day of September, 2003.

NEWFOUNDLAND POWER INC.

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