

1 **Q. Further to the response to NLH-57 NP, who would benefit from the reduction in**
2 **payments to Hydro of approximately \$504,000, shareholders or customers?**
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4 A. If the reduction in payments were forecast to occur in a test year used to set
5 Newfoundland Power's retail rates, customers would receive the benefit.
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7 If the reduction was not built into a forecast test year and did not cause Newfoundland
8 Power to exceed the top of its allowed range of rate return on rate base, the after-tax
9 reduction in expense accrues to shareholders. If the reduction was not built into a test
10 year and the reduced expense resulted in Newfoundland Power exceeding the top of the
11 allowed range of rate of return on rate base, the excess would accrue to customers.