

1 **Q. Given the seeming consensus among other parties at the present hearing regarding**
2 **the value of a demand energy rate, please discuss Newfoundland Power’s weighting**
3 **of the value given to the long term potential customer benefit of a demand energy**
4 **pricing arrangement versus the weighting given to the revenue risk to the**
5 **shareholder.**

6
7 A. As explained in the *Prefiled Evidence: Perry and Henderson*, the Sample Rate will not
8 benefit customers. The Sample Rate will not influence retail rate design, promotes less
9 efficient use of generation resources, is not expected to promote cost effective demand
10 management, and reduces rate stability. There is no evidence that the Sample Rate
11 provides any customer or shareholder value.