

Newfoundland & Labrador Hydro

2003 General Rate Application

Towns of Labrador City and Wabush Responses to Hydro Information Requests

Request

NLH-232 LC Why does Mr. Drazen believe comparability of physical facilities has any bearing with regard to the decision to develop separate rates for East and West and should the same principle be applied to other areas of the province?

Response

The issue here is not to develop separate rates, but to maintain the existing system of separate rates. Even if facilities are “comparable”, rate differences are based on differences in the costs of the facilities used to provide service.