

Newfoundland & Labrador Hydro

2003 General Rate Application

Towns of Labrador City and Wabush Responses to Hydro Information Requests

Request

NLH-236 LC Please discuss and reconcile Mr. Drazen's proposal to develop separate rates for Labrador East and Labrador West with respect to the fact that each of Hydro's isolated diesel areas that comprise the Island Isolated and Labrador Isolated systems are combined for costing purposes within each region.

Response

Mr. Drazen has not proposed to develop separate rates for Labrador East and Labrador West; they are currently separate and have been so in the past. Hydro's isolated diesel areas have been combined for years.

The evidence addresses the cost differences that justify continued separation between Labrador East and Labrador West. When a significant change is being made in the method of determining rates, it is appropriate to examine the evidence that supports or refutes that proposed change.