

1 Q. Further to IC-177 NLH: Indicate the specific directive from the Board in P.U.
2 7 (2002-2003) upon which Hydro concluded that a demand energy rate
3 structure is in the best interests of efficient and fair rates

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6 A. The response to IC-177 NLH did not state that the Board, in P.U. 7, found a
7 demand and energy rate structure for sales to Newfoundland Power to be in
8 the best interest of fair and efficient rates. The Board, in P.U. 7, directed
9 Hydro, in its next general rate hearing to file supporting evidence to address
10 the demand energy pricing issues. Based on its analysis outlined in Exhibit
11 RDG-2, Hydro believes that a demand and energy rate structure, rather than
12 an energy-only rate structure for Newfoundland Power is in the best interests
13 of efficient and fair rates.