Q. In its response to CA 48 NLH, Hydro states that the ICs have the sophistication to understand the overall effect of the RSP on the price signal:

(a) Does Hydro believe that the RSP provides a better price signal than a tail-block energy charge set at Holyrood production costs?

(b) Please provide a comparison of the IC and NP price signal to Holyrood production costs in each of the past five years; i.e., for NP and the ICs, show tail-block energy charges, RSP adders and Holyrood production cost in each of the past five years.

A. (a) No.

(b) Please see attached.

Newfoundland and Labrador Hydro
Energy Rates 2002 - 2006
(As at January 1)

	2002	2003	2004	2005	2006
			(cents/kWh)		
Newfoundland Power					
First Block Energy Rate January 1[(1)]	4.531	4.495	4.789	3.588	3.071
Second Block Energy Rate January 1				4.700	4.700
Rate Stabilization Plan Rate January 1					
Historical Plan		0.177	0.324	0.593	0.636
Current Plan	0.177			0.092	0.081
Fuel Rider					0.428
Industrial Customers					
Firm Energy Rate January 1	1.934	2.388	2.388	2.675	2.675
Rate Stabilization Plan Rate January 1					
Historical Plan	0.514	0.423	0.787	0.751	1.014
Current Plan				0.270	(0.109)
Fuel Rider				0.196	0.640
Holyrood Production Cost[(2)]	4.72	5.88	4.91	6.04	8.69

(1) Two-block energy rate structure implemented January 2005

(2) Annual Holyrood Fuel Expense divided by Annual Holyrood kWh production