

1 Q. Does Stone and Webster believe the difference between the proposed
2 marginal energy rate to Newfoundland Power of 8.907¢ per kWh and the
3 proposed marginal firm energy rate to Industrial Customers of 3.811¢ per
4 kWh is justified on fairness and efficiency principles? Please explain your
5 position. (Cost of Service Evidence, page 8, lines 4 to 6)

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8 A. The difference in rate structures can be justifiable with respect to fairness in
9 that each class ultimately pays the costs Hydro incurs to serve them; and
10 justifiable in terms of efficiency in that the customer is fully aware of the
11 billing effect of using additional energy. Also see response to PUB 14 NLH.