

IN THE MATTER of the *Public Utilities Act*, (the “Act”), and

IN THE MATTER OF capital expenditures and rate base of Newfoundland Power Inc.; and

IN THE MATTER OF an application by Newfoundland Power for an order pursuant to sections 41, 78 and 80 of the Act:

- (a) approving its 2005 capital budget of \$48,141,000;
- (b) (i) fixing and determining its average rate base for 2003 in the amount of \$675,730,000; (ii) approving its revised forecast average rate base for 2004 in the amount of \$713,072,000; and (iii) approving its forecast average rate base for 2005 in the amount of \$740,142,000; and
- (c) approving revised values for rate base and invested capital for use in the automatic adjustment formula (the “Automatic Adjustment Formula” for the calculation of return on rate base for 2005 pursuant to Order No. P.U. 19 (2003).

TO: The Board of Commissioners of Public Utilities (the “Board”)

INTERVENOR’S SUBMISSION OF NEWFOUNDLAND AND LABRADOR HYDRO

1. Newfoundland and Labrador Hydro (“Hydro”) is a statutory body corporate and a public utility as defined by the Act and is regulated as such by the Board.

Hydro’s Interest in the Matter

2. Newfoundland Power is Hydro’s largest customer. The energy that Newfoundland Power purchases from Hydro constitutes approximately 65% of the energy that is generated or purchased and transmitted by Hydro for consumption within the Province of Newfoundland and Labrador.
3. All of Hydro’s Rural customers served from the Island Interconnected Grid, and its customers in the Labrador Straits area, pay the same rates as the Board approves for Newfoundland Power’s customers. As well, for the first 700 kWh per month of consumption, Hydro’s non-government customers served from its isolated diesel systems are also charged the same rates as those charged by Newfoundland Power.

4. Hydro is a customer of Newfoundland Power at several of its locations throughout the Island of Newfoundland including its head office in St. John's.
5. For all of the above reasons, Hydro submits that it has an interest in the capital budget and rate base application filed by Newfoundland Power to ensure that the capital budget and rate base are just and reasonable and in accordance with the principles set out in the Act.

Disposition Advocated by Hydro

6. As of the date of this submission, Hydro is in the process of reviewing and analyzing the application and therefore has not had an opportunity to determine the disposition of the application that it may be advocating.

Facts and Reasons to be Proposed

7. As of the date of this submission, Hydro is in the process of reviewing and analyzing the application and therefore has not had an opportunity to make decisions as to whether it will be providing evidence or as to which arguments it may make in support of any position it may advocate before the Board.

Hydro's Participation in the Hearing

8. Hydro has not, to date, had an opportunity to determine the scope of its intervention, its intervention may include any or all of the following activities:
 - (a) directing Information Requests to Newfoundland Power and other parties as may be permitted by the Board;
 - (b) cross-examining witnesses who testify in this matter; and
 - (c) making legal arguments and other representations to the Board.

DATED at St. John's in the Province of Newfoundland and Labrador Hydro this 13th day of September, 2004.

***NEWFOUNDLAND AND
LABRADOR HYDRO***

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