

1 **Q. Please provide details as they relate to this Application of previous occasions when the**
2 **Board approved NP rates to its retail customers on an interim basis, and subsequently**
3 **approved final rates with adjustments made to reflect the difference in revenue.**
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5 **A.** Based on a review of orders of the Board from 1996 to date, there were two instances
6 where prior period rate adjustments resulted from reviews conducted by the Board.
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8 ***1998 Rate Adjustment***
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10 In 1998, a public hearing was called by the Board on its own motion to consider the
11 following matters concerning Newfoundland Power: (i) the appropriate capital structure;
12 (ii) the appropriate rate of return on common equity and rate of return on rate base; (iii) the
13 appropriate frequency for a full cost of capital review; and (iv) whether an automatic
14 adjustment mechanism for establishing the rate of return between test years was
15 appropriate.
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17 In Order No. P.U. 16 (1998-99), the Board ordered interim rate adjustments for 1998 based
18 upon the 1997 test year financial data from Newfoundland Power's 1996 general rate
19 hearing. The Board ordered Newfoundland Power to submit reduced rates, for approval on
20 an interim basis, to be reflected in monthly bills from September 1, 1998. The Board also
21 ordered a 2.11% rebate to customers to reflect an overall reduction in the Company's
22 revenue requirement relative to the period January 1, 1998 to the end of August 1998.
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24 In Order No. P.U. 21 (1998-99), the Board approved, on an interim basis, the rates
25 submitted in accordance with Order No. P.U. 16 (1998-99).
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27 In Order No. P.U. 36 (1998-99), following a hearing to consider, among other matters,
28 financial data for 1998, the Board approved as final the rates, tolls and charges for 1998 set
29 as interim rates in Order No. P.U. 21 (1998-99).
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31 ***2003 Rate Adjustment***
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33 In Order No. P.U. 22 (2002-2003), the Board approved a schedule of rates, tolls and
34 charges for Newfoundland Power to be effective September 1, 2002. The Board also
35 ordered that the rates be in effect until December 31, 2002, and that Newfoundland Power
36 file a general rate application for a review of its 2003 costs.
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38 In Order No. P.U. 35 (2002-2003), the Board ordered that the rates approved in Order No.
39 P.U. 22 (2002-2003) remain in effect on an interim basis from January 1, 2003 until a final
40 order of the Board following the hearing of the 2003 GRA ("the 2003 Interim Rates").
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42 In Order No. P.U. 23 (2003), the final order on the 2003 GRA, the Board approved new
43 customer rates effective August 1, 2003 and a rebate to customers to reflect the variance
44 between the revenue generated based upon the 2003 Interim Rates and a revised 2003 test
45 year revenue requirement.