

1 Q. Please provide an outline, giving dates and descriptions of the efforts made, of the  
2 discussions that have been held with the Industrial Customers and with  
3 Newfoundland Power in an effort to modify the Rate Stabilization Plan to meet the  
4 changing conditions in the Newfoundland and Labrador market.

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7 A. Discussions with the Industrial Customers, Newfoundland Power and the Consumer  
8 Advocate were held throughout 2007 and 2008 concerning potential re-designs to  
9 the Rate Stabilization Plan (RSP). The first meetings, March 19-21, 2007 included a  
10 discussion on the allocation of the RSP load variation; however, it was not in the  
11 context of modifying the RSP to meet the changing conditions in the Newfoundland  
12 and Labrador market. At that point, the Stephenville pulp and paper mill had  
13 closed, a new test year (2007) had been set, and no additional significant load  
14 changes were anticipated. By the time of the next significant load change in the fall  
15 of 2008, the RSP discussions had stalled, and the possible implications of new  
16 International Financial Reporting Standards (IFRS) needed to be analyzed. Hydro  
17 has not engaged its customers in subsequent discussion concerning agreement to  
18 modify the RSP for changing market conditions.