

IN THE MATTER OF the *Public Utilities Act*,
R.S.N.L. 1990, Chapter P-47, as amended (the
“Act”); and

IN THE MATTER OF a General Rate
Application by Newfoundland Power Inc. to
establish customer rates for 2010

CONSUMER ADVOCATE’S ISSUES LIST
(Submitted August 17, 2009)

The Consumer Advocate states the following to be issues as at this time. The Consumer Advocate reserves the right to take issue with other relevant matters that may arise.

1. The Company’s request that the Board discontinue the use of the Automatic Adjustment Formula for setting the allowed rate of return on rate base;
2. The Company’s request that the Board should permit it an increase in the rate of return on common equity for ratemaking purposes from current levels to 11%;
3. The Company’s request that the Board approve, with effect from January 1, 2010, the adoption of the accrual method of accounting for other post employment benefits as set out in the Application;
4. The extent to which ratepayers ought to bear the burden of other post employment benefits expense (including liability for the transitional obligation) in light of the fact that post-age 65 retirees make no contribution to the premiums costs;

5. The Company's request that the Board approve with effect from January 1, 2010, the Pension Expense Variance Deferral Account on the terms proposed;
6. The Company's request that the Board approve amortizations with effect from January 1, 2010, to recover over one year an estimated \$750,000 in Board and Consumer Advocate costs related to the Application;
7. Conservation costs deferral;
8. The Company's request that the Board approve continued use of the Energy Supply Cost Variance clause beyond 2010, and the Demand Management Incentive Account until further Order of the Board;
9. Whether consumers should benefit from future anticipated corporate income tax rate reductions;
10. Elasticity adjustments;
11. The review of Newfoundland Power's executive and management compensation by advisors who are fully independent of the Company;
12. Inter-corporate transactions;
13. What operational cost reductions and efficiencies should be considered?
14. What productivity allowance should be provided?

15. Is Newfoundland Power's reliability policy consistent with industry practice and the value consumers place on reliability and other aspects of customer service?
16. Are conservation initiatives consistent with good industry practice and are they being undertaken in a coordinated fashion between Newfoundland Power and Hydro that ensures value to consumers is maximized?
17. Is Newfoundland Power management appropriately incorporating external benchmarking in its decision-making process?
18. The retail rate design study's schedule and whether it is giving full consideration to the objectives agreed to in Newfoundland Power's last General Rate Application?
19. Are customers on the Curtailable Service option interrupted only when there is value to the power system?

DATED at St. John's, Newfoundland & Labrador, this 17th day of August, 2009.



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To: Newfoundland and Labrador Hydro
Attention: Mr. Geoffrey Young

To: Newfoundland Power Inc.
Attention: Mr. Ian Kelly, Q.C./Mr. Gerard Hayes