

1 Q. **Reference: Application for Approval of RSP Rules and Refunds to**
2 **Newfoundland Power and Hydro Rural Customers**

3 Paragraph 99 of the opinion rendered by the Supreme Court of Newfoundland
4 Court of Appeal in the matter of a case stated by the Board of Commissioners of
5 Public Utilities (the “Stated Case”) states:

6 “A reserve fund could be ordered by the Board to be used in the future to improve
7 service, or to keep rates low or for some other purpose that is consistent with the
8 objectives and policies of the legislation.”

9 In light of the electricity supply issues encountered on the Island Interconnected
10 System in January 2014, and in light of the cited passage from the Stated Case, has
11 Hydro considered whether it would be of benefit to customers to ask the Provincial
12 Government to consider directing the disposition of the Newfoundland Power RSP
13 surplus to some other purpose consistent with the objectives and policies of the
14 legislation, including improving service? If not, please explain why not.

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17 A. Hydro has not given consideration to the scenarios proposed. It is Hydro’s view
18 that the NP RSP Surplus funds which has accumulated over the period January 1,
19 2007 to August 31, 2013 be refunded to customers in an expeditious manner in
20 accordance with the current Government directives.