

1 Q. Further to the response to Request for Information SR-NP-NLH-030, if the Board
2 were to decide that the refund of the Newfoundland Power RSP Surplus should be
3 based on historical consumption for the period 2007 – 2013, is it Hydro's view that
4 the rules of Section 232(2) of the *Excise Tax Act* relating to price adjustments would
5 apply, given the interim status of the RSP rules during the accumulation of the
6 Newfoundland Power RSP Surplus? If not, why not?

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9 A. If the Board were to decide that the refund should be based on historical
10 consumption for the period 2007 – 2013, then Hydro's view is:

- 11 1) An adjustment (reduction in the original consideration) would fall under
12 Section 232(2) which will allow for a refund of tax on the amount of reduced
13 consideration; and
14 2) The refund of tax would be issued in the form of credit notes against the
15 original supply under Section 232(3) of the *Excise Tax Act*.