

1 Q. Paragraph 6 of the Order in Council OC2013-089 as amended by OC2013-207  
2 references "*ratepayers*" in a general sense, with specific reference to the exclusion  
3 of "Island industrial customers". How has Hydro determined what customers should  
4 be included in the distribution of the Rate Stabilization Plan Surplus that has been  
5 transferred to the credit of Newfoundland Power's Rate Stabilization Plan? Include  
6 in the response Hydro's reasons for not including Labrador Interconnected  
7 customers and Government customers and how Hydro's proposal complies with the  
8 Order in Council.

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11 A. From OC2013-090, as amended, Hydro has determined that an amount of \$112.6  
12 million was to be transferred to the credit of Newfoundland Power's Rate  
13 Stabilization Plan on August 31, 2013. The specified transfer was completed at that  
14 time. If there were no further considerations, the amount transferred to the credit  
15 of Newfoundland Power's Rate Stabilization Plan would be refunded or rebated to  
16 NP customers.

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18 However, based on the OC2013-091, Hydro was also to file with the Board a RSP  
19 Surplus Refund Plan which would refund or rebate the RSP Surplus to customers.  
20 Hydro complied with this direction on October 31, 2013. In its evidence Hydro  
21 pointed out that, based on its interpretation of rates policies and in keeping with  
22 past practice, Hydro's Rural Customers' rates, whose rates are based on  
23 Newfoundland Power's rates, would also receive a refund under Section 16 of the  
24 RSP rules. (Since Labrador Interconnected customers' and Isolated Systems  
25 Government customers' rates are not based on Newfoundland Power's customers'  
26 rates these customers would not receive a refund.)

- 1 It is Hydro's proposal that, given that a refund is to be made to Rural Customers, a
- 2 "Proactive Approach" be taken as described in Hydro's Evidence, page 16, such that
- 3 Rural Customers get their refund at the same time as NP customers.