

1 Q. In implementing Order in Council OC2007-304 Hydro treated the Northern Strategic
2 Plan Subsidy as a rebate to the electricity bills of Labrador Rural Isolated and L'Anse
3 au Loup residential electricity customers without treating the rebate as a rate
4 adjustment. Explain why a rebate or refund from the RSP Surplus to Newfoundland
5 Power customers should not be implemented using the same rationale, with no
6 rate adjustment and no flow through the RSP as is done for the Northern Strategic
7 Plan Subsidy.

8

9

10 A. The Northern Strategic Plan Subsidy, which is funded by Government, is a rebate to
11 Labrador Rural Isolated and L'Anse au Loup residential electricity customers. Hydro
12 processes the rebate on customers' electricity bills on behalf of Government.

13

14 A rebate or refund from the RSP Surplus to Newfoundland Power customers
15 engages Section 16 of the Rules and Regulations, "Policies for Automatic Rate
16 Changes". It is on this basis that there is a flow-through effect to Rural Customers
17 whose rates are based on the rates for Newfoundland Power customers. Please
18 also refer to Hydro's response to SR-NP-NLH-038.