

1 Q. On page 3, lines 6 to 9 of Request for Information IR-PUB-NLH-3 Hydro states" ...
2 Hydro felt that the Board would be less inclined to exercise its discretion to granting
3 interim rates for customers served from this system [Labrador Interconnected
4 System] unless and until a more thorough hearing was held."
5 The Interim Rate Application proposes to increase the wholesale utility rate to
6 Newfoundland Power by approximately \$78 million in 2014 (18.2%, see IR-PUB-
7 NLH-1). Given the large percentage increase proposed for Newfoundland Power,
8 did Hydro consider whether or not the Board would be "less inclined to exercise its
9 discretion to granting interim rates" in a similar manner with respect to the
10 wholesale utility rate increase proposals?

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13 A. Hydro's focus was on the impact on end-use consumers, not on Newfoundland
14 Power which is essentially unaffected because it passes its purchased power
15 expenses onto its customers. It is Hydro's understanding that all of Newfoundland
16 Power's customers will get a rate decrease through the proposed interim order.
17 This is due to the present circumstances in the Rate Stabilization Plan.