

IN THE MATTER OF the *Public Utilities Act*,
R.S.N.L. 1990, Chapter P-47, as amended (the
“Act”); and

IN THE MATTER OF a general rate application
(the “Application”) by Newfoundland Power
Inc. (“Newfoundland Power”) to establish
customer electricity rates for 2013 and 2014

CONSUMER ADVOCATE’S ISSUES LIST
(filed December 21, 2012)

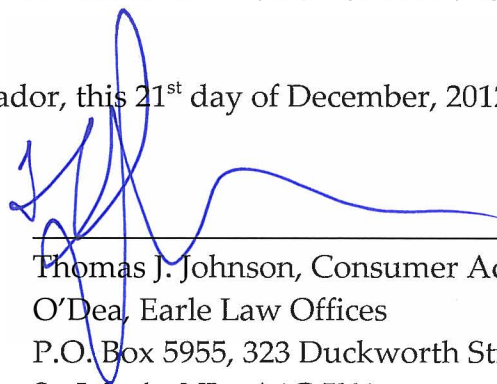
In the Consumer Advocate’s submission, the issues arising in the proceeding are as follows:

A. Issues Affecting Revenue Requirements:

1. Forecast Revenue Requests from rates for 2013 of \$601,551,000 and for 2014 of \$618,846,000.
2. Operating Costs for Test Years 2013 and 2014.
3. Appropriateness of the proposal that the Board approve the calculation of depreciation expense with effect from January 1, 2013 by:
 - a. Use of the depreciation rates as recommended in the Depreciation Study by Gannett Fleming filed with the Application; and
 - b. Adjustment of depreciation expense to amortize over the remaining life of the assets an accumulated reserve variance of approximately \$2.6 million identified in the Depreciation Study filed with the Application.

4. Approval of an appropriate capital structure for ratemaking purposes.
5. Approval of a rate of return on average rate base for 2013 of 8.64% in a range of 8.46% to 8.82%, and for 2014 of 8.58% in a range of 8.40% to 8.76%.
6. Appropriateness of Newfoundland Power's proposal that the Board discontinue use of the Automatic Adjustment Formula for setting the allowed rate of return on rate base for Newfoundland Power.
7. Approval of a fair return on equity for Newfoundland Power for 2013 and 2014.

DATED at St. John's, Newfoundland & Labrador, this 21st day of December, 2012



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To: Newfoundland Power Inc.
Attention: Gerard Hayes/Ian F. Kelly, Q.C.

Newfoundland and Labrador Hydro
Attention: Mr. Geoffrey Young