

1 **Q. [Volume 2, Tab 7, page 1] NP indicates that its single supply dependence is**
2 **relatively rare for investor-owned electric utilities in Canada, and that it recovers its**
3 **power supply costs through a combination of customer rates and regulatory**
4 **mechanisms. What would bring this situation more in line with practice elsewhere?**
5 **Has NP made such proposals to the Board in the past? If so, please provide details.**
6

7 A. The recovery of supply costs by investor-owned electric utilities through a combination
8 of customer rates and regulatory mechanisms is commonplace in Canadian regulatory
9 practice.¹
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11 Changing Newfoundland Power's dependence on a single supplier would require the
12 establishment of competitive electricity supply options on the Island. The development
13 of a competitive supply market while the Island Interconnected electrical system remains
14 isolated is, in the Company's view, unlikely.
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16 Newfoundland Power has not made any proposals to the Board that would alter its
17 dependence on a single supplier.

¹ See Volume 2, Exhibits and Supporting Materials, Tab 7, Supply Cost Mechanisms, Section 2.1.