

Q. 2013-2014 General Rate Application, Company Evidence

Volume 2, Exhibit 14 - In the proposed revised Section III Rate Changes, why were the words in brackets in the existing section removed?

A. The Company is proposing to change the Rate Stabilization Clause so that the Maximum Monthly Charge will be updated annually to reflect changes in the Rate Stabilization Adjustment Factor.

Volume 2, Exhibits & Supporting Materials, Exhibit 14, page 1 of 4, provides the existing and proposed wording of Section III of the Rate Stabilization Clause necessary to effect this change. The words in brackets under the existing section in Exhibit 14 provide the current exemption from the Rate Stabilization Adjustment for the energy charge in the Maximum Monthly Charge. Removing this text would require the Rate Stabilization Adjustment to be reflected in all energy charges to customers.

The Company is proposing that this change to the Rate Stabilization Clause be approved to become effective at the time Hydro's next base rate increase is flowed through to Newfoundland Power.