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August 15, 2007

Board of Commissioners
of Public Utilities
P.O. Box 21040
120 Torbay Road
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon
Director of Corporate Services
and Board Secretary

Ladies and Gentlemen:

Re: 2008 General Rate Application

Please find enclosed the original and eight copies of Newfoundland Power's Requests for Information numbered NP-CA-80 to NP-CA-96 with respect to the prefiled evidence of John D. Todd.

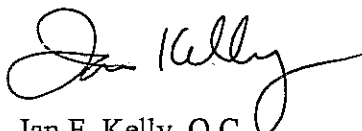
For convenience, the Requests for Information are provided on three-hole punched paper.

A copy of this letter, together with enclosures, has been forwarded directly to Geoffrey Young, of Newfoundland & Labrador Hydro and Thomas Johnson, Consumer Advocate.

Electronic copies of these Requests for Information will be forwarded in due course.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours very truly,



Ian F. Kelly, Q.C.
Counsel for Newfoundland Power Inc.

Enclosures

c. Geoffrey Young (2 copies)
Newfoundland and Labrador Hydro

Thomas Johnson (3 copies)
Consumer Advocate

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 2008.

**Requests for Information by
Newfoundland Power Inc.**

August 15, 2007

Requests for Information
John D. Todd - 2008 General Rate Application

NP-CA-80 Reference: Page 9, Lines 20-22

Does Mr. Todd believe Newfoundland Power's assessment of load management programs should be based on minimizing system costs or minimizing purchased power costs from Newfoundland Hydro?

NP-CA-81 Reference: Page 13, Lines 18-24

Please confirm that in 2004 a marginal contribution shortfall did not exist as a result of supplying load growth to serve new customers (see Page 92, Table 38 of the Company's prefiled evidence).

NP-CA-82 Reference: Page 14, Lines 5-6

Does Mr. Todd agree that rates should provide Newfoundland Power with the opportunity to recover prudently incurred costs of providing service to its customers? If not, why not?

NP-CA-83 Reference: Page 14, Lines 5-6

Does Mr. Todd agree that the proposed Energy Supply Cost Variance clause will provide the opportunity for Newfoundland Power to recover the energy supply costs that result from new customer growth? If not, why not?

NP-CA-84 From 2002 to 2008, the number of customers served by Newfoundland Power is increasing by an average of 1.1% per year. Does Mr. Todd agree that this level of growth in 2009 would result in an approximate \$1.7 million shortfall in recovery of energy supply costs (see Page 123, Table 57 of the Company's prefiled evidence)?

NP-CA-85 Reference: Page 14, Lines 5-6

In the absence of the Energy Supply Cost Recovery clause, how does Mr. Todd propose that Newfoundland Power would recover energy supply cost shortfalls that result from customer growth?

NP-CA-86 Reference: Page 13, Footnote 22

Does Mr. Todd agree that the proposed Energy Supply Cost Variance clause would reduce the requirement for Newfoundland Power to file more frequent general rate applications? If not, why not?

NP-CA-87 Reference: Page 13, Footnote 22

Does Mr. Todd agree that an increased frequency of general rate applications for the single, or predominant, purpose of providing for recovery of increased energy supply costs resulting from customer growth is not consistent with regulatory efficiency? If not, why not?

NP-CA-88 Reference: Page 14, Lines 5-6

Does Mr. Todd agree that regulatory mechanisms that permit recovery of energy supply costs, as shown in CA-NP-444, are common among regulated investor-owned distribution utilities in Canada? If not, provide evidence to the contrary.

NP-CA-89 Reference: Page 10, Lines 9-13

Provide the excerpt from Order No. P.U. 14 (2004) that provides the direction to *reduce monthly energy use*.

NP-CA-90 Reference: Page 15, Figure 1

Please confirm that the percentage changes included in Figure 1 are the year-over-year change in operating costs achieved by Newfoundland Power (as provided in CA-NP-27).

NP-CA-91 Reference: Page 16, Lines 25 - 29

Please confirm that the operating efficiencies achieved by Newfoundland Power from 2003 to 2006 provide benefits to customers in the 2008 test year?

NP-CA-92 Reference: Page 20, Lines 14-16

The retention of the cash method of accounting for OPEBs would result in further build-up of transitional obligations. How does the retention of the cash method of accounting for OPEBs address the Board's concern in this regard?

NP-CA-93 Reference: Page 22, Lines 12-14 and Page 24, Lines 12-13

OPEBs are a cost of providing service to customers. The cash and accrual methods of accounting for OPEBs affect the *timing* of the recovery of OPEBs liabilities. Does Mr. Todd agree that the choice of accounting methodology is unrelated to operational benefits?

NP-CA-94 Reference: Page 23, Lines 1-9

Newfoundland Power's pension costs are *not* recovered in rates on the same basis as the pension plan is funded and the Company *has* had to borrow money to fund its pension plan. In this context, please explain how "the same logic does not apply to OPEBs costs".

NP-CA-95 Reference: Page 23, Lines 10-17

Under the Income Tax Act (Canada), pension funding, and not pension expense, is tax deductible. In this respect, pension costs are no different than OPEBs costs.

In this context, how do the income tax rules support using an accounting methodology for OPEBs costs (ie. retain the cash basis) that is different from the accounting methodology for pension costs (ie. accrual method)?

NP-CA-96 Reference: Page 23, Lines 10-17

Newfoundland Power has proposed to tax effect its employee future benefits. Under this proposal, the excess of OPEBs expense over OPEBs funding would effectively become tax deductible for ratemaking purposes.

In this context, how do the income tax rules in the Income Tax Act (Canada) support the retention of the cash method of accounting for OPEBs?