

- 1 **Q. (Reference PUB-NP-010) It is stated “As described above, Newfoundland Power**
2 **intends to continue managing its capital and operating costs in a manner consistent**
3 **with maintaining reliable, least-cost service to its customers in all operating**
4 **environments and economic conditions.”**
5
- 6 **a) Are Newfoundland Power and NL Hydro subject to the same legislation in**
7 **the Province? If Newfoundland Power believes legislation treats the two**
8 **utilities differently, please identify the differences.**
- 9 **b) Is it contrary to Newfoundland Power’s obligation to its shareholders to**
10 **adjust the management of its capital and operating costs to take into account**
11 **the economic impacts of their decisions on its customers in a poor provincial**
12 **economy?**
- 13 **c) If the answer to CA-NP-197(b) is “yes”, if NL Hydro does adjust the**
14 **management of its capital and operating costs to take into account the**
15 **economic impacts of their decisions on its customers in a poor provincial**
16 **economy, is NL Hydro acting contrary to the interests of its shareholders?**
- 17 **d) If the answer to CA-NP-197(b) is “no”, has Newfoundland Power made any**
18 **adjustments to the management of its capital and operating costs to take into**
19 **account the economic impacts of their decisions on customers in a poor**
20 **provincial economy?**
21
- 22 **A. a) Newfoundland Power’s mandate is to provide service to customers in a manner**
23 **consistent with the provisions of the *Public Utilities Act* (the “Act”) and the**
24 ***Electrical Power Control Act, 1994* (the “EPCA”). The Act and the EPCA apply**
25 **to both Newfoundland Power and Newfoundland and Labrador Hydro (“Hydro”).**
26
27 **Hydro is a crown corporation and is subject to the provisions of the *Hydro***
28 ***Corporation Act, 2007*, which does not apply to Newfoundland Power.**
29
- 30 **b) Newfoundland Power’s obligation to its shareholder is to earn a just and**
31 **reasonable return, as determined by the Board under the *Public Utilities Act*.**
32
33 **Newfoundland Power cannot speak to the interests of Hydro’s shareholder.**
34 **Hydro is a crown corporation and the interests of its shareholder, the Provincial**
35 **Government, may differ from those of private investors.**
36
- 37 **c) See part (b).**
38
- 39 **d) See part (b).**