

IN THE MATTER OF the
Public Utilities Act, R.S.N. 1990,
Chapter P-47 (the “Act”)

AND IN THE MATTER OF an Application by
Newfoundland and Labrador Hydro (“Hydro”) for the approval,
pursuant to Sections 71 and 75 of the *Act* of certain rules,
regulations and rates pertaining to the supply of electrical power
and energy to one of its industrial customers, Aur Resources Inc.

INFORMATION REQUESTS

PUB 8 NLH

Is NLH proposing that rates for all new customers will exclude amounts for the historical balance in the RSP?

PUB 9 NLH

Will excluding Aur and other new customers from the obligation to pay the historical balance in the RSP effectively create two or more Industrial Customers classes for rating purposes?

PUB 10 NLH

If two or more Industrial Customer classes would be created would these classes be defined by date of taking service or in some other way?

PUB 11 NLH

Alternatively would all industrial customers be one class with historical balances of the RSP being assigned as a specifically assigned charge to the Industrial Customers on the system at the time that the charges were accumulated?

PUB 12 NLH

Are amendments to the RSP necessary to allow for a different treatment of new Industrial Customers given that the present plan does not appear to differentiate between Industrial Customers?

PUB 13 NLH

What other changes would be required to the current RSP to accommodate the proposal being made to deal with the collection of the historical balance from Industrial Customers?

PUB 14 NLH

What changes would be required to the rates and contracts of the Industrial Customers to accommodate the changes being proposed by NLH?

PUB 15 NLH

If new customers such as Aur are not responsible for the historical balance, will these customers be responsible for that portion of the RSP that relates to the Fuel Cost Variation for the period before entering the system?

PUB 16 NLH

If new customers such as Aur are not responsible for the historical balance, will an industrial customer leaving the system be responsible for the portion of the fuel rider that relates to costs that are anticipated to be incurred in the year but after the customer leaves the system?

PUB 17 NLH

If new Industrial Customers are not responsible for costs, which were incurred prior to entering the system (historical balance and fuel cost variation), are these balances a debt of the existing Industrial Customers either as a class or individually?

PUB 18 NLH

If the historical balance of the RSP is a debt of the existing Industrial Customers, on what basis would it be assigned to these customers?

PUB 19 NLH

If the historical balance of the RSP is a debt of the existing Industrial Customers, on what date would it be considered to be assigned to these customers?

PUB 20 NLH

If the historical balance of the RSP is a debt of the existing Industrial Customers, who is responsible for the balance if one or more of these customers leave the system?

PUB 21 NLH

If the historical balance of the RSP is a debt of the existing Industrial Customers, who is responsible if all these customers leave the system?

PUB 22 NLH

If the historical balance of the RSP is a debt of the existing Industrial Customers, is it necessary to change the rules and regulations to reflect this responsibility either individually or as a class?

PUB 23 NLH

Does the rationale of excluding new Industrial Customers from the collection of any portion of the historical balance of the RSP extend to customers on the system other than the Industrial Customers?

PUB 24 NLH

Does the rational of excluding new Industrial Customers from the collection of any portion of the historical balance of the RSP extend to other costs which no longer benefit the new Industrial Customer?

PUB 25 NLH

Principles of sound public utility ratemaking as set out by Bonbright state that there are a number of attributes that must be balanced in the ratemaking process. Among these are:

- i) Rates should reflect all of the present and future private and social costs and benefits occasioned by the service's provision;
- ii) Specific rates should be fair in the apportionment of the total costs of service among the different ratepayers so as to avoid arbitrariness and capriciousness;
- iii) Rates should strive to avoid undue discrimination so as to be, if possible, subsidy free with no inter-customer burdens; and
- iv) Rates should reflect related, practical attributes of simplicity, certainty, convenience of payment, economy of collection, understandability, public acceptability, and feasibility of application.

How does the proposal of NLH to collect the historical balance of the RSP and the applicability of the proposed changes to customers, those excluded and those who have not been excluded, current and future, industrial and non-industrial, attempt to balance these attributes?

PUB 26 NLH

If the historical balance of the RSP is not considered a debt of existing Industrial Customers, either together or individually, is the principle of charging similar rates for similarly situated customers consistent with charging different rates to Industrial Customers based on the date service was first provided?

PUB 27 NLH

Generally in ratemaking, are there cost of service principles which support setting up different rates based on the date that the customer takes service?

DATED at St. John's, Newfoundland and Labrador this 15th day of May 2006.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per Original signed by _____
Cheryl Blundon
Board Secretary