

1 Q. Page 13, Exhibit 7, lines 5-10, Hydro states it is proposing to provide a customer refund to
2 Hydro Rural customers on the Labrador Interconnected System. On page 9, lines 11-13,
3 Exhibit 1 and paragraph (u) on page 13 of the Application Hydro states that it proposes to
4 apply a billing credit for Labrador Rural Interconnected customers. Please confirm that
5 Hydro's proposal to deal with excess revenue for Labrador Rural Interconnected customers
6 is to provide a billing credit to customers and not to issue customer refund cheques.

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9 A. Newfoundland and Labrador Hydro's ("Hydro") proposal is to calculate a refund percentage
10 as described in the evidence and apply a credit to the bills of existing customers in February
11 2020. Hydro plans to only issue refund cheques to former customers that are due refunds
12 for the refund period (12 months of 2018 and first nine months of 2019).

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14 Hydro's proposal is the same as the approach approved in Board Order No. P.U. 21(1998-
15 99) where Newfoundland Power was ordered to apply a one-time credit to customer bills,
16 or a refund to former customers, which was calculated as 2.11% of billing amounts based
17 on all power consumed during the refund period (January 1, 1998, and the last August 1998
18 billing date).