

1 Q. During NP's presentation on labour capitalization at the Technical Conference it was stated that  
2 rate stability is an important criterion. Upon further clarification, it was stated that the rate  
3 stability criterion relates only to general expenses capitalized (GEC) and stems from Board Order  
4 No. P.U. 3(1995-96).

5 (a) In Hydro's opinion is it important that rate stability be a consideration in the GEC  
6 component but not other components of a capital budget?

7 (b) Is it Hydro's understanding that the Board's Order implies that rate stability is important  
8 only as it relates to GEC?

9 (c) Have Hydro's customers indicated a preference for rate stability from the perspective of  
10 GEC but not from the overall perspective of the capital budget?  
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13 A.

14 a) Newfoundland and Labrador Hydro ("Hydro") does not have a GEC and therefore is not  
15 in a position to comment on rate stability impacts of Newfoundland Power's GEC in  
16 comparison to other components of their capital budget.

17 b) Hydro cannot speak to the intentions of the Board of Commissioners of Public Utilities in  
18 the context of Board Order No. P.U. 3(1995-96).

19 c) Hydro does not have a GEC and therefore has not discussed such a distinction with its  
20 customers.