

1 **Q. Reference: Power Sales – General**

2 Does Hydro charge any rates that have not been approved by the PUB? Has Hydro applied for
3 rate increases outside of the general rate application prior to this application? Have they been
4 approved or not?

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7 A. The rates in effect for generation costs for Labrador Industrial customers are implemented
8 without the approval of the Board of Commissioners of Public Utilities (“Board”).¹ These rates
9 are determined using a formula-based approach approved by the Government of Newfoundland
10 and Labrador. All other customer rates in the province are approved by the Board.

11 In January and July, customer rates are normally revised through Board approval of
12 Newfoundland and Labrador Hydro’s (“Hydro”) applications for adjustments to the rates of the
13 Island Industrial customers and its Utility customer, respectively, relating to balances in the Rate
14 Stabilization Plan. Hydro notes that the current application requests the implementation of a
15 new rate design for the Labrador Interconnected System. Hydro is not proposing an increase in
16 the existing rates in effect for the Labrador Interconnected System.

¹ As per the *Electrical Power Control Act, 1994*, SNL 1994, s 5.8(2).