

P.U. 16 (2002-2003)

IN THE MATTER OF the Electrical Power Control Act, SN 1994, c. E-5.1 (“*EPCA*”) and the Public Utilities Act RSN, 1990, c. P-47 (“the *Act*”) and their subordinate regulations,

AND IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (NLH) for approval of: (1) Under Section 70 of the *Act*, changes in the rates to be charged for the supply of power and energy to its Retail Customer, Newfoundland Power, its Rural Customers and its Industrial Customers; (2) Under Section 71 of the *Act*, its Rules and Regulations applicable to the supply of electricity to its Rural Customers; (3) Under Section 71 of the *Act*, the contracts setting out the terms and conditions applicable to the supply of electricity to its Industrial Customers; and (4) Under Section 41 of the *Act*, its 2002 Capital Budget.

BEFORE: **Robert Noseworthy**
 Chair and Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Don Powell, C.A.
Commissioner

G. Fred Saunders
Commissioner

WHEREAS on June 7th, 2002 the Board of Commissioners of Public Utilities (the “Board”) issued Order No. P.U. 7 (2002-2003) in relation to the above matter which ordered, *inter alia*, NLH to pay the expenses of the Board and the Consumer Advocate and further ordered NLH to pay the costs of the Industrial Customers in an amount to be determined by the Board; and

WHEREAS NLH filed an Application with the Board on June 27th, 2002 seeking an order approving the inclusion in the 2002 revenue requirement to be used in setting rates under Order No. P.U. 7 (2002-2003) of the expenses of the Board and the Consumer Advocate in excess of \$1 million and the costs of the Industrial Customers; and

WHEREAS on July 4th 2002 the Board issued Order No. P.U. 10 (2002-2003) which fixed the costs of the Industrial Customers at \$250,000; and

WHEREAS the expenses of the Board and the Consumer Advocate are \$1,554,497.61, plus HST of \$233,174.65, which amount has been billed to NLH; and

WHEREAS the parties to the hearing were provided the opportunity to make submissions on the Application of NLH to include these costs in the 2002 revenue requirement to be recovered through rates; and

WHEREAS on July 8th, 2002 the Consumer Advocate filed a submission with the Board, and on July 11th, 2002 Newfoundland Power Inc. filed a submission with the Board; and

WHEREAS on July 9th, 2002 NLH filed further information with the Board setting out the amount of \$1,037,072.26, including HST, which it was seeking to recover through rates to be charged to its customers over the period September 1, 2002 to December 31, 2003; and

WHEREAS the Board has considered the information before it and finds that the recovery through rates of the expenses, excluding HST, of the Board and the Consumer Advocate in excess of \$1 million, and the costs of the Industrial Customers as fixed by the Board is reasonable and should be allowed.

IT IS THEREFORE ORDERED THAT

NLH's 2002 revenue requirement shall be adjusted to allow NLH to recover the amount of \$804,498 through rates over the period from September 1, 2002 to December 31, 2003.

DATED at St. John's, Newfoundland and Labrador this 15th day of July 2002.

Robert Noseworthy,
Chair & Chief Executive Officer.

Darlene Whalen, P.Eng.,
Vice-Chairperson.

G. Fred Saunders,
Commissioner.

Don Powell, C.A.,
Commissioner.

G. Cheryl Blundon,
Board Secretary.