

Page 1

1 OCTOBER 7, 2015  
 2 (9:28 a.m.)  
 3 CHAIRMAN:  
 4 Q. I believe we're ready to start again, and I  
 5 think, madam, you have an undertaking.  
 6 MS. PENNELL:  
 7 Q. Yes, I do, Mr. Chair. We have Undertaking 28  
 8 which gives the percentage of the performance  
 9 bonuses that relate to reliability and asset  
 10 management that were paid out for 2014  
 11 performance.  
 12 CHAIRMAN:  
 13 Q. Okay, and I think next I'm going to Mr.  
 14 Johnson for a couple of matters.  
 15 JOHNSON, Q.C.:  
 16 Q. Yes, Mr. Chairman, Commissioners, good  
 17 morning. Mr. Chairman, Commissioners, the  
 18 consumer advocate has been proceeding on the  
 19 basis that Hydro was requesting that the Board  
 20 approve its rate schedule, including the rate  
 21 schedules for industrial customers, which set  
 22 each of these customers specifically assigned  
 23 charges, and these are outlined in page 6 of  
 24 46 of the rate schedule which was discussed  
 25 with Mr. Fagan yesterday. These charges for

Page 2

1 specifically assigned charges are in  
 2 accordance with the Board's approved  
 3 methodology. Yesterday Mr. Fagan, Hydro's  
 4 Manager of Rates and Regulation, stated that,  
 5 in fact, Hydro is not requesting that these  
 6 specifically assigned charges be approved.  
 7 Instead Hydro now believes that Mr. Dean's  
 8 approach would be a good place to start with  
 9 until it can be further reviewed in the 2016  
 10 cost of service methodology hearing. So Hydro  
 11 now proposes a significantly different  
 12 methodology for calculating these costs, and  
 13 that has an impact on other customers. To  
 14 date Hydro has no amended its filing to  
 15 reflect this change of position. Had the  
 16 consumer advocate been made aware of this  
 17 change in position at an earlier stage, such  
 18 as at the outset of the hearing, it would have  
 19 permitted me the opportunity to question Mr.  
 20 Henderson and his panel about issues arising  
 21 from this change in Hydro's requested relief  
 22 in this application. As the Board is aware, I  
 23 have ended my cross-examination of Mr.  
 24 Henderson and the panel at this stage, but in  
 25 light of my lack of notice of Hydro's change

Page 3

1 in position, I would seek the Board's approval  
 2 to permit me to cross-examine Mr. Henderson's  
 3 panel further on this issue, and I would  
 4 propose to do so, if permitted, once the other  
 5 counsel have finished with the panel and  
 6 before Ms. Greene, Board hearing counsel,  
 7 questions the panel. I guess, the second  
 8 point is a procedural point that I wish to  
 9 make about this situation. From a procedural  
 10 point of view, this situation is very unusual.  
 11 We have Hydro resiling from its own  
 12 application and asking the Board to do  
 13 something different from what its application  
 14 sought. There is no application before the  
 15 Board from Hydro seeking the implementation of  
 16 this new methodology that it now seeks, and  
 17 utilities that seek a departure from Board  
 18 approved methodology would be expected, in my  
 19 opinion, to bring forward an application that  
 20 outlines its position, provides regulatory  
 21 support for its position, provides the impacts  
 22 on other customers, and provides an  
 23 implementation proposal. The parties would  
 24 then have an opportunity to file RFIs on that  
 25 application, test it, and proceed. In light

Page 4

1 of the circumstances, the consumer advocate  
 2 would respectfully submit that if Hydro is  
 3 going to continue not to seek these  
 4 specifically assigned charge rates that it has  
 5 applied for, that it should be ordered to file  
 6 a proper application. That would be my two  
 7 opening submissions this morning on those two  
 8 matters.  
 9 CHAIRMAN:  
 10 Q. Okay, has this been - do you have any  
 11 comments?  
 12 MR. CASS:  
 13 Q. We do, Mr. Chair, if we might provide some  
 14 comments briefly. Of course, as we all know,  
 15 the application was filed originally in  
 16 accordance with Board approved methodology.  
 17 Through the course of the case, different  
 18 perspectives have emerged on the allocation of  
 19 these specifically assigned costs. This is an  
 20 issue, of course, that affects cost allocation  
 21 and in which representatives of different  
 22 customer groups have different perspectives.  
 23 In my submission, that's not highly unusual in  
 24 a large case that there would be some fluidity  
 25 on particular issues as the case proceeds. In

Page 5

1 my submission, it's not that unusual that the  
 2 applicant here has a perspective on an issue  
 3 that's a different perspective, and agrees  
 4 that that's a reasonable perspective. I would  
 5 submit to the Board that it doesn't  
 6 necessarily follow that when the applicant has  
 7 heard a perspective and indicated that that  
 8 sounds reasonable, that the applicant must go  
 9 back every time and amend its application  
 10 because a particular customer representative  
 11 has brought forward a reasonable perspective  
 12 on an issue. However, in specific response to  
 13 the things Mr. Johnson has said, Hydro agrees  
 14 with Mr. Johnson's proposal that he be able to  
 15 ask the questions of Mr. Henderson, and given  
 16 the attention that this particular issue has  
 17 drawn and our respect for the views of others,  
 18 Hydro will take this one back under advisement  
 19 and consider whether it's appropriate to amend  
 20 the application. Again the general  
 21 proposition, I would suggest, Mr. Chair, is  
 22 just because something comes up with a  
 23 witness, that the witness agrees is a  
 24 reasonable perspective on an issue that's  
 25 different than Hydro's original perspective,

Page 6

1 that doesn't always mean the application needs  
 2 to be amended, but we'll take this one back  
 3 under advisement and consider what Mr. Johnson  
 4 has said in relation to an amendment of the  
 5 application on this issue.  
 6 CHAIRMAN:  
 7 Q. Do any of the other solicitors present have an  
 8 opinion on this matter which they would like  
 9 to offer?  
 10 O'REILLY, Q.C.:  
 11 Q. Mr. Chairman, I'd just like to make a few  
 12 comments on that. It seems to me that the  
 13 process of a hearing is designed to test the  
 14 evidence in support of the application. If we  
 15 carry Mr. Johnson's suggestion to its logical  
 16 conclusion, it may very well mean that the  
 17 only avenue open to the Board would be to  
 18 reject that portion of Hydro's evidence and  
 19 that part of its application, seeking to  
 20 assign a specifically assigned charge to  
 21 industrial customers, on the grounds that an  
 22 anomaly has been identified that Hydro agrees  
 23 with and is prepared to recognize that in  
 24 their rate structure. It cannot be accepted  
 25 as a part of the process that going through if

Page 7

1 anomalies are pointed out and something  
 2 doesn't hold water, the evidence doesn't  
 3 support an application, then that's the  
 4 purpose of the hearing, isn't it? I mean, all  
 5 of this was prefiled evidence, RFIS were  
 6 filed, everybody had a chance to read the  
 7 questions that were put to Hydro, the requests  
 8 for information and to read the responses.  
 9 Surely it can't be said that this is a  
 10 surprise to anybody. That's the only thing  
 11 I'd say. I think that this is not really -  
 12 this is a procedural quagmire that we're  
 13 getting into we don't need to get into.  
 14 CHAIRMAN:  
 15 Q. Anybody else have any comments on this matter?  
 16 MS. GLYNN:  
 17 Q. No, Mr. Chair.  
 18 CHAIRMAN:  
 19 Q. Well, I guess what we should do is postpone a  
 20 final determination arising out of Hydro's  
 21 response, Mr. Johnson, would that satisfy you  
 22 on an interim basis?  
 23 JOHNSON, Q.C.:  
 24 Q. It would, Mr. Chairman. I think it's fair for  
 25 Hydro to take it under advisement and tell us

Page 8

1 where they are, and then we can take it from  
 2 there.  
 3 CHAIRMAN:  
 4 Q. Okay. That's what we shall do.  
 5 MS. GLYNN:  
 6 Q. And on the issue of cross-examination, Mr.  
 7 Chair?  
 8 CHAIRMAN:  
 9 Q. I beg your pardon.  
 10 MS. GLYNN:  
 11 Q. On the issue of Mr. Johnson's request to be  
 12 able to cross-examine Mr. Henderson further?  
 13 CHAIRMAN:  
 14 Q. Oh, I think that's appropriate, isn't it?  
 15 Does anybody have any objections to that or  
 16 any comment on Mr. Johnson's request to recall  
 17 Mr. Henderson arising out of some comments Mr.  
 18 Fagan made. Okay, so you are finished, Mr.  
 19 Coxworthy, are you?  
 20 MR. COXWORTHY:  
 21 Q. I am finished with this witness, that's  
 22 correct.  
 23 CHAIRMAN:  
 24 Q. I think I'm going to Mr. O'Reilly, is that  
 25 correct?

Page 9

1 O'REILLY, Q.C.:

2 Q. That's correct.

3 MS. GLYNN:

4 Q. There was a preliminary matter for Mr.

5 O'Reilly.

6 CHAIRMAN:

7 Q. Oh, you have a preliminary matter, I'm sorry,

8 yes, sir.

9 O'REILLY, Q.C.:

10 Q. Yes, and it involves the questioning of Mr.

11 Fagan yesterday by Mr. Johnson. I've

12 discussed this with Mr. Johnson. Can we bring

13 up yesterday's transcript at page 68, line 13,

14 and it involves an issue with respect to Mr.

15 Dean's qualification or his ability to testify

16 on the matters that he did testify on. In

17 other words, the scope of his evidence, and I

18 just want to read from starting at line 13,

19 this is Mr. Johnson, he's putting this to Mr.

20 Fagan. They were in a discussion at this

21 point on the amended O & M charges as a part

22 of the specifically assigned charge, and in

23 particular, the result of Hydro's

24 recalculation of that as seen in Vale 083,

25 Revision 1, and Mr. Johnson says to Mr. Fagan,

Page 10

1 "Right, and so just to understand now, Mr.

2 Dean is Vale's witness. He's indicated he's

3 not an expert witness, but he has come up with

4 this new methodology and he would like that to

5 be implemented in this GRA or he can live with

6 Hydro's 150,000 dollar figure". Now the

7 question I want to raise here deals with the

8 suggestion that's contained in that, that

9 somehow Mr. Dean's evidence, because he's

10 Vale's witness and has not been declared to be

11 an expert, somehow that his evidence doesn't

12 speak with the same efficacy as other

13 witnesses who have testified in this area.

14 The fact that Mr. Dean was retained by Vale, I

15 submit, Mr. Chairman, does not distinguish the

16 efficacy of his evidence and that of any of

17 the other witnesses who were retained by

18 either Hydro or any of the intervenors to give

19 evidence here. It doesn't suggest because

20 they're retained that it contains any kind of

21 bias. That's open for the Board to accept, to

22 scrutinize the evidence to see whether or not

23 it's reasonable, and that the person who's

24 giving the evidence has the background and

25 necessary - has laid the necessary background

Page 11

1 to permit the Board to make that assessment,

2 and you'll recall that in this case, both in

3 his vive voce evidence and also in his

4 prefiled evidence, Mr. Dean described his

5 professional education leading to a

6 designation as a professional engineer, an

7 electrical engineer. He also described his

8 lengthy industrial experience and his lengthy

9 regulatory experience on the matter, and that,

10 I suggest, was the basis for his evidence. I

11 was reluctant to raise this, but my concern is

12 if I didn't raise this at this particular

13 point, silence might be considered as

14 acquiescence in the comments that are made. I

15 raise that, I put that on the record because I

16 think that the appropriate time probably

17 should have been when he said it, but I wanted

18 to check the record to make sure that I

19 understood the comments clearly at the time,

20 and I've discussed this with Mr. Johnson in

21 advance of the hearing. I just want to put

22 that on the record.

23 JOHNSON, Q.C.:

24 Q. Just to ensure Mr. Dean, mentioning that he

25 was Vale's witness was just indicating that he

Page 12

1 was Vale's witness. I didn't mean to say that

2 because he's Vale's witness that you take less

3 from what the gentleman is saying at all, but

4 he's not a cost of service expert and he

5 wouldn't put himself forward as that, but, you

6 know, that's - I certainly think that the

7 gentleman has long experience and he's able to

8 provide a perspective on the issue and I think

9 he's done so.

10 O'REILLY, Q.C.:

11 Q. That's fine.

12 CHAIRMAN:

13 Q. You're happy, Mr. O'Reilly?

14 O'REILLY, Q.C.:

15 Q. I don't think - this is not World War III.

16 It's a point to put on the record, and I think

17 Mr. Johnson and I will resume our usual

18 conviviality and proceed with the hearing.

19 CHAIRMAN:

20 Q. So you won't start World War III over this.

21 O'REILLY, Q.C.:

22 Q. We will not, not over this, anyway.

23 CHAIRMAN:

24 Q. Okay, very reassuring, sir. We are safe for

25 another few hours. Where am I going now?

Page 13

1 O'REILLY, Q.C.:

2 Q. I think it's back to me.

3 MR. KEVIN FAGAN - CROSS-EXAMINATION BY O'REILLY, Q.C.:

4 O'REILLY, Q.C.:

5 Q. I just have a few questions of Mr. Fagan, and

6 again picking up the theme that we discussed

7 before my soliloquy here dealing again with

8 the O & M charges, Mr. Fagan, we spent a

9 considerable amount of time on that, the

10 recalculation that Hydro did under 083,

11 Revision 1, Vale 083, Revision 1. Now as I

12 understand your testimony, the recalculation

13 that was done by Hydro, and I take it your

14 fingerprints are on this -

15 MR. FAGAN:

16 A. I'm very familiar with it, yes.

17 O'REILLY, Q.C.:

18 Q. On the recalculation, the indexing issue and

19 the recalculation of the numbers that appear

20 in Revision 1?

21 MR. FAGAN:

22 A. I didn't specifically do the numbers, but it's

23 under my direction.

24 O'REILLY, Q.C.:

25 Q. Under your direction you did it, okay. Now we

Page 14

1 recognize in that hearing - as a result of the

2 application of the indexing principle that

3 we've discussed at length in this hearing, it

4 was determined that three of the industrial

5 customers on that basis of indexing would

6 have, if these rates, if the original rates as

7 applied for by Hydro, would result in three of

8 the industrial customers being assigned a

9 charge, an annual charge. In the case of

10 Vale, I think it was \$291,000.00, almost

11 \$300,000.00; in the case of Corner Brook Pulp

12 and Paper, \$165,000.00, and I think in the

13 case of Teck there's something less,

14 \$90,000.00 or something of that nature.

15 MR. FAGAN:

16 A. I think so. We can look at Table 4 at the

17 bottom of Vale 083, and we'll see the actual

18 numbers. So Vale would have been \$291,000.00

19 savings, Corner Brook Pulp and Paper about

20 \$166,000.00, Teck \$109,000.00, Newfoundland

21 Power was \$59,000.00, North Atlantic Refining

22 would have been an increase in specifically

23 assigned O & M of \$22,000.00, and those costs

24 would effectively be deemed to be not

25 appropriate with respect to being O & M

Page 15

1 related to specifically assigned, so they go

2 back in as being common to be reallocated.

3 O'REILLY, Q.C.:

4 Q. It would go into - yes, a general issue.

5 MR. FAGAN:

6 A. Yeah.

7 O'REILLY, Q.C.:

8 Q. So you recognize, Mr. Fagan, that these rates

9 that are applied for are final rates? The

10 rates that are being applied for are final?

11 MR. FAGAN:

12 A. Yes, I understand. I may have said interim,

13 but it wasn't from a legal sense of interim.

14 O'REILLY, Q.C.:

15 Q. No, but they're final until the next - they

16 will be final until the next GRA?

17 MR. FAGAN:

18 A. Yes, but the plan will be to review the whole

19 cost of service methodology. When we're

20 reviewing all aspects of the cost of service

21 methodology, we'll also review the

22 specifically assigned.

23 O'REILLY, Q.C.:

24 Q. But these rates that are being applied for in

25 this hearing will be final until the next

Page 16

1 hearing?

2 MR. FAGAN:

3 A. Certainly.

4 O'REILLY, Q.C.:

5 Q. Is that correct?

6 MR. FAGAN:

7 A. Yes.

8 O'REILLY, Q.C.:

9 Q. So that if Hydro recognizes that these

10 charges, in particular I'm referencing Vale

11 now, but they equally apply to Teck and Corner

12 Brook Pulp and Paper, if these rates as

13 originally applied for go into effect, Vale

14 will be required to pay until the next GRA an

15 annual charge of \$291,000.00?

16 MR. FAGAN:

17 A. No, no, the annual charge would be

18 \$145,000.00, the same -

19 O'REILLY, Q.C.:

20 Q. \$145,000.00.

21 MR. FAGAN:

22 A. The savings was 291 -

23 O'REILLY, Q.C.:

24 Q. Yeah, and - but it would be overcharge if the

25 original rate is \$291,000.00?

Page 17

1 MR. FAGAN:  
 2 A. Yes, because of the position that the use of  
 3 original cost is inappropriate, yes.  
 4 O'REILLY, Q.C.:  
 5 Q. And they will be required to pay \$291,000.00  
 6 in excess of what would have been appropriate,  
 7 what Hydro considers as appropriate, and no  
 8 chance of getting that back until the next  
 9 GRA?  
 10 MR. FAGAN:  
 11 A. That's correct.  
 12 O'REILLY, Q.C.:  
 13 Q. That would be gone forever?  
 14 MR. FAGAN:  
 15 A. That's correct.  
 16 O'REILLY, Q.C.:  
 17 Q. And Hydro, I take it, does not agree that  
 18 that's appropriate?  
 19 MR. FAGAN:  
 20 A. No, we don't. I understand Mr. Johnson's  
 21 concerns with regard to the impacts not being  
 22 clear, so I've done some - had some  
 23 discussions with our own internal staff, so  
 24 what we plan on doing is providing an updated  
 25 cost of service with the changes made so it's

Page 18

1 clear to all parties in advance of final  
 2 argument.  
 3 O'REILLY, Q.C.:  
 4 Q. Okay.  
 5 MR. FAGAN:  
 6 A. So we'll have that on the record as  
 7 information for the other parties to know what  
 8 the impacts are of flowing it through to the  
 9 common as well.  
 10 O'REILLY, Q.C.:  
 11 Q. Yes. You mean, the exercise that you've  
 12 initiated to see how this - when you take that  
 13 out of the specifically assigned and it goes  
 14 back into the general cost, how that will  
 15 trickle through to the rate payers?  
 16 MR. FAGAN:  
 17 A. Right, so we'll provide information to show  
 18 what the impacts would be on all customers  
 19 with regard to the specifically assigned  
 20 charges as well as the other charges.  
 21 O'REILLY, Q.C.:  
 22 Q. I think that's all I have, Mr. Chairman. Thank  
 23 you, Mr. Fagan.  
 24 (9:45 a.m.)  
 25 CHAIRMAN:

Page 19

1 Q. Okay, where am I now? Oh, I'm sorry, I beg  
 2 your pardon, Madam Dawson.  
 3 MR. KEVIN FAGAN - CROSS-EXAMINATION BY MS. DAWSON:  
 4 MS. DAWSON:  
 5 Q. Thank you. Mr. Fagan, I represent the  
 6 Nunatsiavut Government in these hearings, and  
 7 I just want to give some context to where I'm  
 8 going. We're new to the party, and I think  
 9 before I came in January of this year,  
 10 although it seems like a few years ago now,  
 11 there was, I think, about a thousand RFIS in  
 12 place.  
 13 CHAIRMAN:  
 14 Q. Excuse me, can you speak into the mic? We're  
 15 having trouble -  
 16 MS. DAWSON:  
 17 Q. That would be helpful, wouldn't it?  
 18 CHAIRMAN:  
 19 Q. Yeah, it kind of would.  
 20 MS. DAWSON:  
 21 Q. Yes, I'll start from the beginning. I  
 22 represent the Nunatsiavut Government and we're  
 23 late to this party in that we just came along  
 24 in January of this year, and before I came  
 25 along, I think there was about 1,000 RFIS

Page 20

1 filed, and so my focus is going to be a little  
 2 different than some of the more seasoned PUB  
 3 people. I'm not going to focus on things like  
 4 marginal costs and embedded costs because they  
 5 don't mean anything to the people I represent.  
 6 So I'm going to take it to a very different  
 7 level and try to explain or try to get some  
 8 understanding of this whole process, but  
 9 before I go there, I want to ask you did you  
 10 have any understanding as an employee of Hydro  
 11 that both the Public Utilities Act and the  
 12 Electrical Power Control Act has a particular  
 13 provision in there that recognizes Inuit Land  
 14 Claims Agreement?  
 15 MR. FAGAN:  
 16 A. I wasn't initially aware of it. I've heard  
 17 you mention it throughout the proceeding, so I  
 18 had someone check to see if there was anything  
 19 within that Act which would refer to rate  
 20 setting practices, and my understanding is  
 21 that there wasn't, so from a rate setting  
 22 perspective, I'd still be dealing with the  
 23 directives of government as well as the -  
 24 which, I guess, would be within the Act, so  
 25 with regard to the Public Utilities Act and

Page 21

1 the Electrical Power Control Act.  
 2 MS. DAWSON:  
 3 Q. That would be fair, but I'm going to suggest  
 4 to you that the fact that the Inuit are  
 5 mentioned at all as opposed to other minority  
 6 groups in Newfoundland, suggests that the  
 7 government at least have them in mind when  
 8 these Acts were put in place.  
 9 MR. FAGAN:  
 10 A. I accept that.  
 11 MS. DAWSON:  
 12 Q. Okay. So then I understand that you are only  
 13 familiar - you're familiar now with the  
 14 special recognition of the Inuit because of  
 15 your involvement in the proceedings, not  
 16 because it is a policy that was brought to the  
 17 forefront by Hydro or its executives, would I  
 18 be fair in saying that?  
 19 MR. FAGAN:  
 20 A. That's correct.  
 21 MS. DAWSON:  
 22 Q. Now as you may be aware, and I'm sure you are  
 23 aware, you set rates for 21 isolated diesel  
 24 communities in the Province of Newfoundland,  
 25 correct, Newfoundland and Labrador?

Page 22

1 MR. FAGAN:  
 2 A. Yes.  
 3 MS. DAWSON:  
 4 Q. And that the Nunatsiavut Government or the  
 5 people of Nunatsiavut reside in five of those,  
 6 right? So that would be Nain, Hopedale,  
 7 Postville, Makkovik, and Rigolet, correct?  
 8 MR. FAGAN:  
 9 A. I think you're right, yes.  
 10 MS. DAWSON:  
 11 Q. And I don't want to - I'll try not to raise  
 12 too much, but I will raise the infamous rural  
 13 deficit. Is there any way that I can get a  
 14 handle on how much of the rural deficit that  
 15 we are responsible for? It's nowhere in the  
 16 figures, and I realize it might be too  
 17 difficult for you to, but a ball park figure  
 18 would be nice. So of the five communities  
 19 that we represent, I'm just trying to figure  
 20 out how much of the rural deficit we would be  
 21 responsible for?  
 22 MR. FAGAN:  
 23 A. Just one second. Could you please bring up  
 24 Exhibit 13, page 3 of 109, please. If we can  
 25 zoom in on the rural deficit - so we've got

Page 23

1 the isolated systems, Labrador isolated, and  
 2 Labrador isolated is approximately 27.5  
 3 million. I'm not sure - we could ball park it  
 4 with respect of the number of customers, but  
 5 Nain is your area, correct, your customers are  
 6 in Nain?  
 7 MS. DAWSON:  
 8 Q. Well, there's five. Nain is the biggest.  
 9 MR. FAGAN:  
 10 A. Yes, I was thinking about the biggest. If I  
 11 had the customer numbers split between the  
 12 five isolated systems versus the total of the  
 13 Labrador isolated system, I think I - it would  
 14 probably be ball park to take the proportion  
 15 of the 27 million.  
 16 MS. DAWSON:  
 17 Q. Okay, so what you're suggesting I do - and  
 18 fair enough, I just wanted to have a - because  
 19 that becomes more relevant for me when I speak  
 20 to Mr. Moore about the diesel and where Hydro  
 21 is going with diesel and generation and things  
 22 like that. So if I take the 25 and divide it  
 23 by - I think ours is about 3,500 people, so  
 24 that would give me some - if you want to do it  
 25 that way.

Page 24

1 MR. FAGAN:  
 2 A. Well, the number of customers on the isolated  
 3 systems in Labrador is - is it 4,600, I  
 4 recall, being on the isolated system.  
 5 MS. DAWSON:  
 6 Q. Yeah, but we're not all of that see, but I  
 7 understand what you're saying.  
 8 MR. FAGAN:  
 9 A. No, but if you looked at that relative - I  
 10 believe there's 4,600 on the total of the  
 11 isolated systems, and if you took the total  
 12 number of - not population, but customer is  
 13 how we refer to it, that you'd take as a  
 14 percentage of that 4,600 and you apply that to  
 15 the total between the island and Labrador,  
 16 which is the 35 million, you'd probably come  
 17 up a reasonable number.  
 18 MS. DAWSON:  
 19 Q. Okay.  
 20 MR. FAGAN:  
 21 A. The average cost per isolated system is fairly  
 22 high in all of them, it may be 80 to 90 cents  
 23 per kilowatt hour, so I think the customer  
 24 split to be reasonable.  
 25 MS. DAWSON:

Page 25

1 Q. Okay.

2 MR. FAGAN:

3 A. Sorry, I don't have the numbers right now.

4 MS. DAWSON:

5 Q. I appreciate - I think there was an RFI and

6 there was some indication that it might be too

7 difficult to figure out, but I do understand

8 it's about 80 cents on the dollar.

9 MR. FAGAN:

10 A. We don't do cost of service studies by

11 isolated system.

12 MS. DAWSON:

13 Q. No, I understand.

14 MR. FAGAN:

15 A. Because we actually aggregate them and we

16 allocate - got overhead allocations and stuff

17 as well, and fuel costs, and we don't track

18 all our cost by isolated system, but if one

19 was just trying to get an estimate from a

20 communications perspective in speaking to

21 someone, I think a portion allocation of the

22 customer counts would be unreasonable.

23 MS. DAWSON:

24 Q. Okay. When you're about to set rates, do you

25 have any discussion with your customers? Do

Page 26

1 you discuss this issue with Newfoundland Power

2 or the province, or let's say, the Nunatsiavut

3 Government? Do you give people a heads up?

4 MR. FAGAN:

5 A. So we're going back to prior to Hydro filing.

6 I wasn't with Hydro when the original

7 application was filed, but prior to the

8 amended application being filed, we would have

9 had discussions with Minister of Natural

10 Resources, did a presentation for the Minister

11 responsible for Labrador.

12 MS. DAWSON:

13 Q. That's the Provincial Government you're

14 speaking about?

15 MR. FAGAN:

16 A. The Provincial Government.

17 MS. DAWSON:

18 Q. Not the Nunatsiavut Government?

19 MR. FAGAN:

20 A. No, we didn't have a presentation for the

21 Nunatsiavut Government.

22 MS. DAWSON:

23 Q. So I'm going to get you now just to take me

24 through a bill, just ground zero. I want to

25 look at IN-NLH-004, if we could, and in

Page 27

1 particular I'd like to start at page 12 of

2 that RFI.

3 MR. FAGAN:

4 A. Which attachment?

5 MS. DAWSON:

6 Q. I'm sorry, Attachment 3, page 1 of 12.

7 MR. FAGAN:

8 A. Attachment 3, page 1 of 12, okay. Yes,

9 Attachment 3 is the Labrador isolated systems.

10 MS. DAWSON:

11 Q. Yes. I understand that D1.20, domestic diesel

12 would be an example of a bill that somebody in

13 Nunatsiavut would receive, am I correct about

14 that? That's one of the rates or the class of

15 rates that's in Labrador isolated?

16 MR. FAGAN:

17 A. That's correct.

18 MS. DAWSON:

19 Q. Now when I look at the basic customer charge

20 of 15.68, what is in that charge? What does

21 that charge cover? I'm going to say what kind

22 of widgets does that charge cover?

23 MR. FAGAN:

24 A. First from a policy perspective, an historical

25 perspective, the basic customer charge for the

Page 28

1 customers in diesel systems and the first

2 block energy charge is established based on

3 Newfoundland Power's rates.

4 MS. DAWSON:

5 Q. Oh, we'll get into that. That's coming.

6 MR. FAGAN:

7 A. Yeah, okay.

8 MS. DAWSON:

9 Q. I just want to know now -

10 MR. FAGAN:

11 A. I'm not avoiding the question.

12 MS. DAWSON:

13 Q. No, I just want to know what is it that

14 customer charge covers?

15 MR. FAGAN:

16 A. Okay. The cost of service study itself is

17 split between generation, transmission, and

18 distribution costs and customer costs, okay.

19 The distribution costs are also split between

20 customer and demand. So customer costs in

21 general that people would think about would be

22 the billing system, meter reading, meters -

23 what else? There's certain aspects of the

24 distribution system, the fact that there's a

25 proportion of the transformer and certain

Page 29

1 aspects that are also considered customer  
 2 costs. I think the average customer cost of  
 3 serving domestic customers may be closer to  
 4 around in the neighbourhood of \$20.00 per  
 5 customer. The actual customer charge  
 6 historically has been slightly below that, but  
 7 in general, if you delineate the customers,  
 8 you're talking about the cost of reading their  
 9 meters, billing, and you've got a call centre  
 10 to deal with customer calls and stuff like  
 11 that, but there's also a portion of the  
 12 distribution system reflected in the customer  
 13 charge.  
 14 (10:00 a.m.)  
 15 MS. DAWSON:  
 16 Q. Okay, so then what does - when I get to the  
 17 next line which is how much someone gets  
 18 charged per kilowatt hour, what does that  
 19 cover, what does the actual rate of in this  
 20 case it's 11.171 cents, and that's the first  
 21 block, what does that cover?  
 22 MR. FAGAN:  
 23 A. Well, in aggregate energy charges, well, for  
 24 domestic customers where we don't have demand  
 25 charges, the energy charges recover all the

Page 30

1 fuel costs, the transmission lines, the  
 2 generating equipment, and most of the  
 3 distribution system. So for diesel areas,  
 4 it's the generator and the distribution system  
 5 in the diesel areas, but now the rate - the  
 6 actual price itself is established, the first  
 7 block price is established based on  
 8 Newfoundland Power rates, which you say you'll  
 9 get to later on.  
 10 MS. DAWSON:  
 11 Q. We'll get into it. So then the next one,  
 12 17.083 cents for the next kilowatt, I guess,  
 13 past the life block, that covers the same sort  
 14 of things, distribution, that kind of thing,  
 15 or energy charges?  
 16 MR. FAGAN:  
 17 A. I would say that - all energy charges in  
 18 general are recovering all the costs, as I  
 19 mentioned. We're moved into rate design now  
 20 with respect to that - because the customers  
 21 are on diesel systems, we give them a price  
 22 for higher usage to reflect the higher cost of  
 23 fuel of serving customers in diesel systems,  
 24 to give them a message for conservation  
 25 effectively, and also to try and recover a

Page 31

1 reasonable proportion of the cost.  
 2 MS. DAWSON:  
 3 Q. There's been a lot of discussion - some of the  
 4 buzz words, I don't get, but I think a buzz  
 5 word that a lot of people use, is it price,  
 6 something or other?  
 7 MR. FAGAN:  
 8 A. Price elasticity.  
 9 MS. DAWSON:  
 10 Q. Pardon me?  
 11 MR. FAGAN:  
 12 A. Price elasticity, is that what you're  
 13 referring to?  
 14 MS. DAWSON:  
 15 Q. No, I think the idea -  
 16 MR. FAGAN:  
 17 A. Or the marginal price versus embedded price.  
 18 MS. DAWSON:  
 19 Q. Right, and I'm just trying to - so the 17 is a  
 20 little higher because you'd like to discourage  
 21 people from going to that next block?  
 22 MR. FAGAN:  
 23 A. Well, it's a price that better reflects the  
 24 cost to serve the customers in the diesel  
 25 areas. For example, the average cost of fuel

Page 32

1 may be 30 to 40 cents a kilowatt hour, it's  
 2 probably closer to 40 cents a kilowatt hour,  
 3 just the diesel fuel in the isolated systems  
 4 in Labrador. So if it's 40 cents a kilowatt  
 5 hour, then - now we've got a directive that we  
 6 don't recover the full cost from the customers  
 7 in isolated systems, but I think it was back  
 8 in the late 90s that there was - actually it  
 9 was in early 90s when Mr. Baker did a review  
 10 of the rural deficit allocation, and he also  
 11 did a review of the rural rate designs, and  
 12 came up with some proposals on what the excess  
 13 block rates or the end block rates would be  
 14 for customers, so the rates would reasonably  
 15 reflect the margin cost or the cost of fuel  
 16 that's been incurred. So as customers go  
 17 above we call the lifeline block usage, they  
 18 would see a better price signal more  
 19 reflective of the cost of serving, and it's  
 20 primarily the fuel cost that it's reflecting.  
 21 So it's still below the fuel cost, but it  
 22 gives the customer - well, one, it provides  
 23 for cost recovery, but also gives the customer  
 24 an incentive to conserve.  
 25 MS. DAWSON:

Page 33

1 Q. Okay, now the next bill - I'm not going to go  
 2 through all of them, but I'm going to go  
 3 through - the next one I would like to look at  
 4 is 9 of 12. Now there's some RFIs that left  
 5 me a little bit confused about whether there  
 6 is actual a G2.10 in Labrador isolated?  
 7 MR. FAGAN:  
 8 A. That would be a government rate.  
 9 MS. DAWSON:  
 10 Q. That's a government rate?  
 11 MR. FAGAN:  
 12 A. Yes.  
 13 MS. DAWSON:  
 14 Q. So this government rate then is a little bit  
 15 higher. We have a basic charge of 44.82, and  
 16 I'm interested in - and you've already - I'm  
 17 assuming the basic customer charge in this  
 18 case, the government case, does it cover the  
 19 same sorts of charges that you talked about  
 20 when it came to a customer rate?  
 21 MR. FAGAN:  
 22 A. It does, but in this particular case - so when  
 23 Hydro does its cost of service study for its  
 24 isolated systems, it breaks the cost down  
 25 between, as I mentioned, customer costs,

Page 34

1 demand costs, and energy costs, and we  
 2 actually derive the unit cost per customer,  
 3 and the unit cost per demand, and the unit  
 4 cost per energy. So for government  
 5 departments, the policy was put in place to  
 6 make a full cost recovery rates and that's  
 7 reflected in Order PU-7-2002/2003, that so the  
 8 rates we see here come from that cost of  
 9 service, so this is the unit cost derived from  
 10 our cost of service study for the test year  
 11 for government customers on the isolated  
 12 systems.  
 13 MS. DAWSON:  
 14 Q. So do I take it then that the 44.82 is more  
 15 representative of the actual cost to have a  
 16 diesel generated facility in isolated areas?  
 17 MR. FAGAN:  
 18 A. I mentioned that the customer charge, the  
 19 15.68 you referred to, was probably slightly  
 20 less than the actual customer cost.  
 21 MS. DAWSON:  
 22 Q. That's right.  
 23 MR. FAGAN:  
 24 A. So this would be the actual estimated customer  
 25 cost within the isolated systems.

Page 35

1 MS. DAWSON:  
 2 Q. And so then the kilowatt hour is dramatically  
 3 different in this case and it's \$69.70?  
 4 MR. FAGAN:  
 5 A. That's correct.  
 6 MS. DAWSON:  
 7 Q. So to me, that's fundamentally different than  
 8 the one we looked at earlier, which was  
 9 \$17.08. So now we're into \$69.00 per  
 10 kilowatt.  
 11 MR. HAYES:  
 12 Q. It's 69 cents.  
 13 MS. DAWSON:  
 14 Q. Pardon me, 69 cents, sorry.  
 15 MR. FAGAN:  
 16 A. 69 cents. It is high, but it's not -  
 17 MS. DAWSON:  
 18 Q. Sorry about that. You wish, eh, yeah. Anyway,  
 19 we wouldn't be here.  
 20 MR. FAGAN:  
 21 A. Newfoundland Power might wish as it would  
 22 reduce the rural subsidy.  
 23 MS. DAWSON:  
 24 Q. Yeah, right, 67 cents, and would that be more  
 25 reflective then of what it would be - I guess,

Page 36

1 my question is, you're actually charging the  
 2 government on this bill more of what it costs  
 3 to supply the diesel to that particular  
 4 customer?  
 5 MR. FAGAN:  
 6 A. It's our estimation of full cost of supply of  
 7 the diesel to customers on diesel systems. So  
 8 that cost - because this customer is, we call  
 9 it 2.1, so the demand would be below 10  
 10 kilowatts, so it would be a very small  
 11 facility. Sometimes you see a small corner  
 12 store, actually, if they got refrigeration  
 13 even, they may be above 10 kilowatts, so it  
 14 could be just - if you look at a strip mall,  
 15 at a strip mall you see all these little  
 16 stores side by side, so there's not a lot of  
 17 load, so something of that size, an individual  
 18 one would be a rate 2.1, below 10 kilowatts.  
 19 So it's a small customer. So the 69.7 reflects  
 20 both the demand cost and the energy cost  
 21 blended into a single charge.  
 22 MS. DAWSON:  
 23 Q. Yes, but is this the government rate or is  
 24 this -  
 25 MR. FAGAN:

Page 37

1 A. It's a government rate.  
 2 MS. DAWSON:  
 3 Q. This is the government rate?  
 4 MR. FAGAN:  
 5 A. Yes.  
 6 MS. DAWSON:  
 7 Q. Okay.  
 8 MR. FAGAN:  
 9 A. They're structured the same as the rates for  
 10 the non-government customers, except the cost  
 11 reflected in the government rate are full  
 12 costs. So when we see G2.1 versus D2.1, the  
 13 design of the rate is the same, but the cost  
 14 for the government rate strictly come from the  
 15 cost of service study, whereas the practices  
 16 for the rate for the customers that are non-  
 17 government, we've got the basic customer  
 18 charge will be the same as Newfoundland Power,  
 19 the lifeline block rate the same as  
 20 Newfoundland Power, and that's on a domestic  
 21 basis, but you've got the excess rate based on  
 22 something in between the Newfoundland Power  
 23 rate and the actual fuel cost of service. So  
 24 the design of the rates is the same for  
 25 government from a structure perspective, but

Page 38

1 the actual prices are a lot different because  
 2 they're recovering full costs. Did I confuse  
 3 you on that?  
 4 MS. DAWSON:  
 5 Q. Okay. So then the next one I want you to look  
 6 at is 11 of 12, and I want to confirm that the  
 7 service here is G2.20, general service.  
 8 MR. FAGAN:  
 9 A. For government.  
 10 MS. DAWSON:  
 11 Q. This is also a government rate?  
 12 MR. FAGAN:  
 13 A. That's correct.  
 14 MS. DAWSON:  
 15 Q. And again the - but it's a different structure  
 16 here, it seems. Well, the basic charge is a  
 17 little higher and this time there's a demand.  
 18 MR. FAGAN:  
 19 A. Yes.  
 20 MS. DAWSON:  
 21 Q. Which is typical for an industrial customer,  
 22 there's always a demand charge?  
 23 MR. FAGAN:  
 24 A. Well, it isn't just industrial, it's any  
 25 commercial or could be - it could be non-

Page 39

1 profit for that matter. Anything that's not  
 2 residential, it's considered general service,  
 3 so if their demand goes above that 10  
 4 kilowatts - say, a larger corner store type  
 5 thing, but if this would be a government owned  
 6 one, then it's got both a demand charge and an  
 7 energy charge. So you'd see the energy charge  
 8 here would be 49 cents, 49.554 cents per  
 9 kilowatt hour, and \$11.40 per kilowatt. I'm  
 10 sorry, I got that wrong, \$53.68 per kilowatt.  
 11 I'm not used to the higher numbers. So the  
 12 blending of the \$53.68 and the \$49.554 in the  
 13 previous rate where we looked - got a higher  
 14 energy charge, so in this one we've split out  
 15 the energy charge into both a demand charge  
 16 and an energy charge, so it gives customers a  
 17 signal to try and manage what appliances or  
 18 what facilities they've got in their building  
 19 that are on at the same time to try and keep  
 20 the demand down, so that you won't get  
 21 everything turned on the one time and drive  
 22 costs up, and have to put additional  
 23 transformers in and stuff like that.  
 24 MS. DAWSON:  
 25 Q. So, in this case, am I correct that it is

Page 40

1 \$53.64?  
 2 MR. FAGAN:  
 3 A. In this case, yes, you are.  
 4 MS. DAWSON:  
 5 Q. Okay. So, and then you explained the blend in  
 6 there. My question this is that I understand  
 7 from the--that you're asking the PUB to  
 8 increase the rate for this particular service,  
 9 the G2.20 to 25.4 percent?  
 10 MR. FAGAN:  
 11 A. I believe that's correct. There's a  
 12 difference between the government rates and  
 13 the--from a rate change, between test years.  
 14 Government rates are not updated between test  
 15 years for changes in price of fuel.  
 16 MS. DAWSON:  
 17 Q. Okay.  
 18 MR. FAGAN:  
 19 A. Other customers' rates are. So, there's a  
 20 July 1 rate change for Newfoundland Power's  
 21 customers which flows through to Hydro's non-  
 22 government customers. So, their rate change,  
 23 each July 1 reflects changes in the price of  
 24 fuel. The government customers do not.  
 25 They're just set every test year. So, because

Page 41

1 there's been a long time since the previous  
 2 test year, there's been a bigger increase in  
 3 the rate for these government customers.  
 4 MS. DAWSON:  
 5 Q. So, the last rate change that I get from what  
 6 you're saying was 2007?  
 7 MR. FAGAN:  
 8 A. That's my understanding.  
 9 MS. DAWSON:  
 10 Q. The last test year?  
 11 MR. FAGAN:  
 12 A. Yes.  
 13 MS. DAWSON:  
 14 Q. But I am correct in that the increase you're  
 15 looking for is 25.4 percent of a rate increase  
 16 for this particular class in isolate  
 17 communities.  
 18 MR. FAGAN:  
 19 A. That's correct. And on the interim accrual,  
 20 July 1 by the Board, I think the Board  
 21 approved half of the increase. So, some of  
 22 the increase has been -  
 23 MS. DAWSON:  
 24 Q. Has already started?  
 25 MR. FAGAN:

Page 42

1 A. On an interim basis, correct.  
 2 MS. DAWSON:  
 3 Q. Okay. So there was a little -- there was a  
 4 discussion between you and Mr. Johnson  
 5 yesterday about the idea of gradualism and,  
 6 you know, doing such an increase in increments  
 7 and I'm going to suggest to you that 25. --  
 8 given -- I understand what you've said, but  
 9 the 25.4 is quite dramatic in this case for  
 10 this particular customer or customers in this  
 11 class, would it not?  
 12 MR. FAGAN:  
 13 A. I don't disagree. However, back in the -- I  
 14 don't know if it was '92 or '95, but the  
 15 review of rural rates over the years has two -  
 16 - there was a rural rate inquiry back in '95,  
 17 and one of the items came out of that was --  
 18 and it looked at practices across the country  
 19 -- that one way of reducing the rural deficit  
 20 paid by the customers was to have government  
 21 institutions, RCMP for example, those types of  
 22 customers, paying full cost rates. So, the  
 23 gradualism approach, had they had increases  
 24 from 2007 on up through like other customers  
 25 had, the rate increase proposed wouldn't be as

Page 43

1 large as 25. So it's more of a catch up, and  
 2 so gradualism has -- the sensitivity on  
 3 gradualism for government accounts who many  
 4 people would say well, government made the  
 5 decision to create the rural deficit rather  
 6 than have to pay itself as it was doing prior  
 7 in 1989, that the government should at least  
 8 pay their full share of costs. So, I think  
 9 that's considered a stronger factor, rather  
 10 than the concept of gradualism in this case.  
 11 MS. DAWSON:  
 12 Q. Okay. All right. So that gives me -- thank  
 13 you, and I appreciate how tedious it might be,  
 14 but I wanted to have some understanding of the  
 15 different -- of what goes into a bill, an  
 16 everyday bill, so when people look at it  
 17 they'll say, well, this is what or this is how  
 18 this goes. But at the end of the day, I  
 19 guess, I don't understand, and maybe this is  
 20 not the right forum, how you managed to get to  
 21 deciding 25.4 for this customer versus the 7.1  
 22 for the domestic customer, and I just -- how  
 23 do you decide what percentage of each or maybe  
 24 this is not the right forum for that?  
 25 (10:15 a.m.)

Page 44

1 MR. FAGAN:  
 2 A. No, it's the right forum.  
 3 MS. DAWSON:  
 4 Q. How does one -- then how do you get to 7.1  
 5 here and 4.3 here and 5.6 here? Is it a, I  
 6 guess, a percentage of the cost of service?  
 7 Is this how that goes?  
 8 MR. FAGAN:  
 9 A. Let me go through each one of them. Still  
 10 with the government one first, okay. So the  
 11 government one is actually probably simpler.  
 12 So, the rates currently in place are based on  
 13 2007 test year and so when we created a new  
 14 test year, we derived new unit costs for the  
 15 government customers in each of the classes  
 16 and those are the rates that are proposed for  
 17 government. We take those rates and apply it  
 18 to our forecast consumption for 2015, both  
 19 existing rates and get the revenue under  
 20 existing and then we apply the proposed rates  
 21 coming out of the cost of service study and we  
 22 come up with the revenue on the proposed and  
 23 effectively, a mathematical calculation gets  
 24 you the rate increase proposed for the  
 25 government customers. So theirs is simpler.

Page 45

1 Let's go now to -- before I get to the  
 2 Isolated Systems, I want to get to the 2.8  
 3 percent, which would be the basis first before  
 4 you get up to the seven percent.  
 5 So Hydro designs a rate to recover its  
 6 costs from Newfoundland Power and from that we  
 7 come up with an estimated increase in its  
 8 wholesale rate to Newfoundland Power. We  
 9 estimate the impact of our rate proposal on  
 10 the customers of Newfoundland Power. So, we  
 11 talk to Newfoundland Power and say "well, what  
 12 proportion of your costs are purchases from  
 13 Hydro?" and based on our discussions, we come  
 14 up with say 67.5 percent, so about two-thirds.  
 15 So, and so we say okay, the net effect of the  
 16 changes for Newfoundland Power -- I think if  
 17 we went to -- I think it's Exhibit 3, page --  
 18 Exhibit 13, page three of 109 again. I don't  
 19 know if it's quite there, but it may be up  
 20 further. I think this one provides the actual  
 21 rate changes. No, let's go to I think it's  
 22 page 4.51 of the evidence to the Amended  
 23 Application, 4.50.  
 24 So, when we come up with the -- we have a  
 25 -- in Newfoundland Power, we have what we call

Page 46

1 a base rate, but I mentioned the rate changes  
 2 that occur year over year with respect to rate  
 3 stabilization adjustments due to fuel changes.  
 4 So without getting into the complexity of  
 5 that, the total firm NP, if we go over to the  
 6 far right, has a calculation of the total  
 7 billings for Newfoundland Power under the  
 8 existing rates versus the proposed rates, and  
 9 the rate change is 4.1 percent. Now I  
 10 mentioned that Newfoundland Power's customers  
 11 cost from Hydro make up about two-thirds of  
 12 that, so if we took two-thirds of the 4.1,  
 13 67.5 percent, you'd get to 2.8 percent, which  
 14 is under Rural Island Interconnected, down  
 15 just below Canadian Forces Goose Bay there.  
 16 So that 2.8 percent is an estimated increase  
 17 for Rural Island Interconnected Customers.  
 18 MS. DAWSON:  
 19 Q. Based on -- see, this is where I get a little  
 20 confused. You're basing our diesel fuel or  
 21 our cost of the system, right, our cost of  
 22 having a plant and the plant giving people in  
 23 Nain electricity based on Newfoundland Power's  
 24 rates, which are not our rates, right?  
 25 MR. FAGAN:

Page 47

1 A. They'll be your rates. They're not your  
 2 costs.  
 3 MS. DAWSON:  
 4 Q. Okay.  
 5 MR. FAGAN:  
 6 A. They're the basis for a portion of the rates  
 7 to customers on the Labrador Isolated Systems.  
 8 They're not based -  
 9 MS. DAWSON:  
 10 Q. Well, the Labrador Interconnected.  
 11 MR. FAGAN:  
 12 A. Well, let me finish first and then we'll get  
 13 to the Isolated Systems first.  
 14 MS. DAWSON:  
 15 Q. Okay.  
 16 MR. FAGAN:  
 17 A. So the Rural Island Interconnected rates, so  
 18 we're talking about Hydro's customers on the  
 19 Great Northern Peninsula, for example. If  
 20 Newfoundland Power's wholesale rate goes up  
 21 4.1 percent, then Newfoundland Power's  
 22 customer rates are estimated to go up 2.8  
 23 percent. So because their customer rates  
 24 would go up 2.8 percent, Hydro would increase  
 25 its rural customer rates 2.8 percent. So that

Page 48

1 2.8 percent -- remember when we looked at the  
 2 -- if we could go back to the bill, the  
 3 domestic bill for Innu-004, maybe page one of  
 4 12 in Attachment 3 probably. So the 11.1  
 5 cents, okay. So if there was going to be a  
 6 rate change to Newfoundland Power's customers  
 7 of 2.8 percent, then that first block price  
 8 would increase 2.8 percent to customers on the  
 9 Labrador Isolated System and the -- because as  
 10 well, the second block price would increase  
 11 the same percentage.  
 12 But there's actually a -- sorry, have to  
 13 be careful about the blocks. In the rate  
 14 schedules, there's actually three blocks, but  
 15 there's -- the months of February, January and  
 16 February and December, there's -- so the 1,000  
 17 -- there's 1,000 kilowatt hour first block and  
 18 everything above that is priced at the higher  
 19 price of 17 cents. If you did this for a  
 20 summer bill, which there may be one a little  
 21 further on, the -- it may be the first 800  
 22 kilowatt hours. There's different block sizes  
 23 in the rate schedule in which that first block  
 24 price applies to.  
 25 But all in all, the first 1,000 kilowatt

Page 49

1 hours, the energy rate that applies to the  
 2 first 1,000 kilowatt hours would increase at  
 3 the same percentage as Newfoundland Power's  
 4 customer rate increases, 2.8 percent. It's  
 5 actually -- sorry, it would -- it's the same  
 6 rate as Newfoundland Power's rate that results  
 7 from the 2.8 percent increase, just so I'm  
 8 clear. So that 11.171 cents at the date of  
 9 this schedule would be the same rate as a  
 10 Newfoundland Power customer pays. But if  
 11 there's a 2.8 percent increase and it went  
 12 across all components, that would go up 2.8  
 13 percent. So we set that rate to be the same  
 14 as Newfoundland Power's. The highest rate,  
 15 which is the 17.083 cents we apply the average  
 16 increase to Newfoundland Power's -- apply to  
 17 Newfoundland Power's customers to that higher  
 18 block.

19 So that's the normal way of getting the  
 20 rate for the Labrador Isolated Systems. In  
 21 this particular proceeding, the proposed  
 22 increase is higher. Part of it's the 2.8  
 23 percent and you referred to, I believe it was  
 24 the 7.1 percent for domestic customers.

25 MS. DAWSON:

Page 50

1 Q. Actually, I don't know, do you want to focus  
 2 on the 7.1 or do you want to focus on what's  
 3 actually going to happen? Because 7.1 is not  
 4 quite correct, right?

5 MR. FAGAN:

6 A. Yeah. I'd like to go there first just so that  
 7 we can go through the math of how we get  
 8 there.

9 MS. DAWSON:

10 Q. Okay. So I'm going to refer you to your page  
 11 in the application, the GRA Application, page  
 12 1.6R is where you'll find all the rates and  
 13 then I'd like to -- we can go through that  
 14 before we get into the 11 -- because it  
 15 actually goes to 11.4, not 7.1, but maybe we  
 16 should start here first.

17 MR. FAGAN:

18 A. Yeah, I think that's good.

19 MS. DAWSON:

20 Q. I think that might be better. At least it'll  
 21 be better for me.

22 MR. FAGAN:

23 A. Yeah, okay. So the 7 -- so in this particular  
 24 schedule for both Island and Labrador Isolated  
 25 Systems, okay, for the 2015 test year, it's

Page 51

1 4.1 percent. So I think if we go to response  
 2 to -

3 MS. DAWSON:

4 Q. I think if you go to 107, PUB-NLH-107. I  
 5 don't know if that's where you're thinking.

6 MR. FAGAN:

7 A. I was going to go to -- yeah, we can go to  
 8 there. I would go to 400 first, PUB-NLH-400  
 9 first. So if we go to lines 22, so the -- and  
 10 say the non-lifeline portion of the Domestic  
 11 energy rate, that's that 17 cents we're  
 12 talking about.

13 MS. DAWSON:

14 Q. Um-hm.

15 MR. FAGAN:

16 A. That was forecast to increase by 15 percent in  
 17 2007.

18 MS. DAWSON:

19 Q. That's the non-lifeline portion?

20 MR. FAGAN:

21 A. Right, that 17 cents a kilowatt hour. As a  
 22 result of increased fuel costs since the  
 23 previous GRA. I mentioned the automatic  
 24 adjustment mechanism that occurs each July for  
 25 current rate changes for Isolated Systems.

Page 52

1 That wasn't in place between 2004 and 2007, so  
 2 it was a catch up effectively with regard to  
 3 fuel price increases since the previous GRA,  
 4 similar to what we just talked to with regard  
 5 to the government rates. So there's a  
 6 proposal of 15 percent increase for that non-  
 7 lifeline portion of the energy charge. Now,  
 8 that rate change wasn't implemented in 2007.  
 9 A Government directive effectively provided  
 10 the funds to offset that 15 percent increase.  
 11 It was reflected in Hydro's revenue  
 12 requirement in determining the rural deficit,  
 13 so that the rate increase proposed effectively  
 14 was approved from a revenue requirement  
 15 perspective. So Hydro recovered those funds  
 16 but through government funding, and so the  
 17 fact that it wasn't implemented didn't drive  
 18 the rural deficit up for any other customers.

19 MS. DAWSON:

20 Q. No, because the Government of Newfoundland, I  
 21 understand, is about paying about \$400,000 a  
 22 year.

23 MR. FAGAN:

24 A. Yes, that was the estimated impact at that  
 25 time, okay. So, they've continued to pay that

Page 53

1 amount. So, the -- but so what's in Hydro's  
 2 application reflects the elimination of that  
 3 funding by government and putting that 15  
 4 percent increase on that tail block rate or  
 5 that non-lifeline rate, and the 15 percent  
 6 increase on the non-lifeline rate causes the  
 7 2.8 percent increase which would apply if it  
 8 was -- if that -- if we hadn't had this  
 9 deferred charge effect, goes from 2.8 percent  
 10 up to the 7.1 percent. So 4.3 percent of the  
 11 increase for the domestic customers is because  
 12 of bringing that -- carrying that forward from  
 13 2007 test year into the 2015 test year.  
 14 MS. DAWSON:  
 15 Q. Okay. So the 7.1 increase that you mentioned  
 16 in the GRA filing includes or catches up or  
 17 includes the 15 percent deferred since 2007?  
 18 It's been deferred every year since 2007 and  
 19 the government has been paying Hydro on or  
 20 about \$400,000 every year in lieu of that  
 21 deferred rate increase?  
 22 MR. FAGAN:  
 23 A. That's correct.  
 24 MS. DAWSON:  
 25 Q. Okay. So again, your -- because we'll get

Page 54

1 more into this but the -- so the 7.1 does  
 2 recognize now the 15 percent deferral?  
 3 MR. FAGAN:  
 4 A. Yes.  
 5 MS. DAWSON:  
 6 Q. Okay. Then I'll let you go ahead.  
 7 MR. FAGAN:  
 8 A. And that also impacts the general service  
 9 customers on the diesel system. The general  
 10 service customers on the diesel system, when  
 11 we look -- I don't know if we looked at it,  
 12 but it doesn't have a lifeline block. We  
 13 actually did look at some of them, but there's  
 14 no lifeline block on the general service. So,  
 15 the 15 percent would have went on the energy  
 16 charge in the general service customers, I  
 17 think maybe the energy and the demand charges.  
 18 So there's a full -- so it's the full 15  
 19 percent on the general service rate whereas on  
 20 the domestic rate, the impact is not as  
 21 material because it's -- it's still material,  
 22 but it's not as material, because it was only  
 23 applying to the non-lifeline portion of the  
 24 charge.  
 25 MS. DAWSON:

Page 55

1 Q. Okay.  
 2 MR. FAGAN:  
 3 A. So the rate increase for the general service  
 4 customers proposed in the Amended Application  
 5 was around 18-19 percent.  
 6 MS. DAWSON:  
 7 Q. Okay.  
 8 MR. FAGAN:  
 9 A. So that's getting from the 2.8 that would  
 10 normally occur, but compounding the effect of  
 11 the delayed increase that was being funded by  
 12 the government for the period 2007 and  
 13 continuing now with an Order in Council that  
 14 supposedly would expire at the end of this  
 15 year.  
 16 MS. DAWSON:  
 17 Q. For the 15 percent deferral, okay. But  
 18 eventually, we actually do have to pay 11.4,  
 19 right, on the domestic?  
 20 MR. FAGAN:  
 21 A. Is that in PUB-NLH-485? What's the source of  
 22 your 11.4?  
 23 MS. DAWSON:  
 24 Q. PUB-107.  
 25 MR. FAGAN:

Page 56

1 A. Oh. Your calculation of 11.4 percent is  
 2 reflecting the Northern Strategic Plan.  
 3 MS. DAWSON:  
 4 Q. Now I'm going to get you to -  
 5 MR. FAGAN:  
 6 A. Explain that part?  
 7 MS. DAWSON:  
 8 Q. Well, I'm going to get you to start from the  
 9 beginning on this particular RFI. So, you've  
 10 already talked to us about the 15 percent  
 11 deferral, the 15 percent rate change. You've  
 12 talked to us about that. And then you've  
 13 talked to us about the 4.2 which is what it  
 14 should -- the increase should be, right, what  
 15 it is for, I guess, for Newfoundland Power  
 16 customers.  
 17 MR. FAGAN:  
 18 A. Okay.  
 19 MS. DAWSON:  
 20 Q. Okay. Now the 2.8 is connected to the 4.2, is  
 21 it not?  
 22 (10:30 a.m.)  
 23 MR. FAGAN:  
 24 A. Let me just look at this for a moment.  
 25 MS. DAWSON:

Page 57

1 Q. This is where I get really confused with this  
 2 particular -- because I'm not sure where the  
 3 11.4 comes from. Maybe I shouldn't be adding  
 4 any of the figures at all.

5 MR. FAGAN:  
 6 A. The 4.2 is not the Newfoundland Power number.  
 7 The 4.2 is the overall average impact on the  
 8 customer rates of the 15 percent. Because the  
 9 15 percent is only applying to the non-  
 10 lifeline portion, if you took that and  
 11 expressed the dollar effect of the 15 percent  
 12 as a proportion of the total revenues, you'd  
 13 come up with the 4.2.

14 MS. DAWSON:  
 15 Q. Okay.

16 MR. FAGAN:  
 17 A. So the 4.2 is the, I'll call it the bump up  
 18 resulting from the 15, because if you look at  
 19 your total bill, the 15 percent is only  
 20 belonging to a portion of it. So the total  
 21 bill increase is 4.2 because of the 15 percent  
 22 on the non-lifeline block.

23 MS. DAWSON:  
 24 Q. Okay.

25 MR. FAGAN:

Page 58

1 A. So that's the 4.2. Then there's 2.8 which  
 2 would be the proposed increase for  
 3 Newfoundland Power's customers and then the  
 4 compounding effect of the 4.2 and the 2.8 gets  
 5 you to 7.1 percent.

6 MS. DAWSON:  
 7 Q. Okay. So how do I get to 11.4?

8 MR. FAGAN:  
 9 A. Well, life's not easy on some of this stuff.  
 10 The Northern Strategic Plan is not part of  
 11 Hydro's rates, okay. So Hydro's rates and  
 12 when we propose our rates, we propose them  
 13 based on our accepted practices and so, the  
 14 government policy that's in rural rates and is  
 15 approved by the Board, so we follow those  
 16 practices.

17 MS. DAWSON:  
 18 Q. So all things being equal, if we were just  
 19 going to go with your methodology and nothing  
 20 else, it would be 7.1?

21 MR. FAGAN:  
 22 A. 7.1 is what the impact on Hydro's revenues  
 23 are, okay.

24 MS. DAWSON:  
 25 Q. Right.

Page 59

1 MR. FAGAN:  
 2 A. The 11.4 is an estimated bill impact for  
 3 customers as a result of the fact because the  
 4 customers on the Labrador Isolated Systems  
 5 receive a price, a reduced price for their  
 6 lifeline block because of the Northern  
 7 Strategic Plan. So the rates we looked at --  
 8 if we could go back to your Innu 4, please,  
 9 Attachment 3, page 1 of 12? So the Labrador  
 10 Coast Electricity Rebate, the \$87.44 that's  
 11 shown there.

12 MS. DAWSON:  
 13 Q. Yes.

14 MR. FAGAN:  
 15 A. Okay. So, the 11.171 cents per kilowatt hour  
 16 is Newfoundland Power's residential customer  
 17 rate, and there's also the basic customer  
 18 charge, which is Newfoundland Power's basic  
 19 customer charge of \$15.68. The Labrador  
 20 Interconnected rate has a lower basic customer  
 21 charge by about eight dollars. It's got a  
 22 lower energy charge of slightly more than  
 23 seven cents a kilowatt hour. So the Northern  
 24 Strategic Plan allows those lower rates to  
 25 apply to the basic customer charge and that

Page 60

1 first block energy charge and come up with a  
 2 credit which is referred to as the Labrador  
 3 Coast Electricity Rebate here of \$87.44. So  
 4 effectively, the customers for that first  
 5 1,000 kilowatt hours are paying more in the  
 6 neighbourhood of slightly around three cents a  
 7 kilowatt hour and a lower basic customer  
 8 charge which may be I think around seven  
 9 dollars. So that -- so if you made those  
 10 adjustments to the customer and -- so the base  
 11 is different, so you end up with a different  
 12 percentage impact because -- so, if you reduce  
 13 their bill reflecting the Northern Strategic  
 14 Plan and Hydro is proposing a 15 percent  
 15 increase on the non-lifeline portion of the  
 16 rate, which the Northern Strategic Plan  
 17 doesn't apply, it drives up the effective rate  
 18 increase for the customers.

19 MS. DAWSON:  
 20 Q. So, you're asking the PUB to increase the  
 21 rates by 7.1 or 11.4? That's my question.

22 MR. FAGAN:  
 23 A. 7.1. The effective impact on a customer's  
 24 bill because they received the Northern  
 25 Strategic Plan approved by government is

Page 61

1 higher on a percentage basis, but that's only  
 2 because their rate is much lower if you take  
 3 into account the Northern Strategic Plan. But  
 4 what Hydro is proposing is 7.1.  
 5 MS. DAWSON:  
 6 Q. But the effect of that is 11.4, an increase of  
 7 11.4?  
 8 MR. FAGAN:  
 9 A. Yes, from a percentage basis, but it can be a  
 10 little misleading because the dollar effect of  
 11 it, the dollar impacts when you look at the  
 12 dollar -- the bills that the customers are  
 13 paying are much lower than the average bill  
 14 that Hydro would compute for the customer  
 15 because it doesn't take into account the  
 16 Northern Strategic Plan. So the percentage,  
 17 yes, it is 11.4.  
 18 MS. DAWSON:  
 19 Q. Right.  
 20 MR. FAGAN:  
 21 A. But it's not Hydro's proposed increase to  
 22 customers. Hydro's proposed increase to the  
 23 customers is 7.1.  
 24 MS. DAWSON:  
 25 Q. Yes, but I guess what I'm saying to you, when

Page 62

1 a person gets their bill, right, the average  
 2 everyday person gets a bill, the effect will  
 3 be 11.4. They don't really care where it  
 4 comes from.  
 5 MR. FAGAN:  
 6 A. I agree.  
 7 MS. DAWSON:  
 8 Q. Right. They don't care if it comes from  
 9 wherever. At the end of the day when they  
 10 look at their bill, they're paying 11.4  
 11 percent more. The rate increase is 11.4 more  
 12 is what I'm saying to you.  
 13 MR. FAGAN:  
 14 A. I agree.  
 15 MS. DAWSON:  
 16 Q. Okay.  
 17 MR. FAGAN:  
 18 A. It's just from the perspective of looking at  
 19 the size of their bills. I mean with the  
 20 Northern Strategic Plan, a customer on the  
 21 Labrador Isolated System may be able to use up  
 22 to, you know, 15 -- more than 15 kilowatt  
 23 hours and still have rates that would be maybe  
 24 lower than the Island Interconnected system.  
 25 So, I know the increase is high from a

Page 63

1 percentage basis, but the effect of the  
 2 Northern Strategic Plan have to be looked --  
 3 you've got to look at two sides of it, I  
 4 guess. But from a customer who's -- ultimate  
 5 customer paying their bill, the effect of the  
 6 increase will be 11.4.  
 7 MS. DAWSON:  
 8 Q. Now do you want to explain a little bit in  
 9 detail for the Board what the Northern  
 10 Strategic Plan is all about. What was it for  
 11 and what was it -- what is it supposed to do?  
 12 MR. FAGAN:  
 13 A. I don't know if I can comment on that other  
 14 than -  
 15 MS. DAWSON:  
 16 Q. Well, what does it affect on the rate then?  
 17 Can you -- surely you can tell me what its  
 18 effect on a rate?  
 19 MR. FAGAN:  
 20 A. The effect on a rate for customers is that the  
 21 customers on the Labrador Isolated Systems,  
 22 including L'Anse au Loup, will pay the same  
 23 rates as customers on the Labrador  
 24 Interconnected System for their lifeline block  
 25 and for their basic customer charge.

Page 64

1 MS. DAWSON:  
 2 Q. Right. But it only -- it doesn't relate to --  
 3 the Northern Strategic Plan doesn't relate to  
 4 the non-lifeline block?  
 5 MR. FAGAN:  
 6 A. That's correct.  
 7 MS. DAWSON:  
 8 Q. The deferral, the 15 percent deferral relates  
 9 to above the lifeline?  
 10 MR. FAGAN:  
 11 A. That's correct.  
 12 MS. DAWSON:  
 13 Q. Right. But the Northern Strategic Plan just  
 14 relates to the lifeline block?  
 15 MR. FAGAN:  
 16 A. Yes, that's correct.  
 17 MS. DAWSON:  
 18 Q. Okay.  
 19 MR. FAGAN:  
 20 A. Now, the -- I lost my train of thought.  
 21 That's okay, you go ahead.  
 22 MS. DAWSON:  
 23 Q. Now, now that we've gone through all of this,  
 24 and no disrespect to you, I'm not sure I'm any  
 25 better off, but I don't think that's you; I

Page 65

1 think that's me. There's been some  
 2 discussion, particularly between Mr. Johnson  
 3 and you and others and you, about transparency  
 4 and bills and I'm going to suggest to you that  
 5 it would be impossible to explain any of this  
 6 in a bill to anyone what you've just walked me  
 7 through.  
 8 MR. FAGAN:  
 9 A. It wouldn't be easy.  
 10 MS. DAWSON:  
 11 Q. No.  
 12 MR. FAGAN:  
 13 A. No.  
 14 MS. DAWSON:  
 15 Q. So if we're going to tell people about the 15  
 16 percent deferral and the Northern Strategic  
 17 and then we're going to tell the Isolated  
 18 communities one set of ideas, that you're  
 19 getting a benefit, and the people who are  
 20 paying, then we'll get into the rural deficit  
 21 and all that. It's going to get confusing if  
 22 you want to explain all this with the idea of  
 23 transparency, right?  
 24 MR. FAGAN:  
 25 A. I agree, and I indicated yesterday that it

Page 66

1 gets -- it makes it even more difficult if  
 2 you're trying to apply -- give a different  
 3 message to two groups about the rural deficit,  
 4 if you want to talk to one group about how  
 5 they're being subsidized and another group  
 6 about how they're subsidizing someone else. I  
 7 was talking to someone from Newfoundland Power  
 8 yesterday and we were talking about what  
 9 happened back in 1996 when Newfoundland Power  
 10 proposed it and it was customers saying that's  
 11 fine, you can identify it as a separate  
 12 charge, but we just won't pay it. So, quite  
 13 often you could end up with a collection issue  
 14 by identifying some new charge that's not  
 15 associated with providing service to the  
 16 customers of Newfoundland Power that they --  
 17 they'd say but that is not about me providing  
 18 a service, so I'm not paying that portion of  
 19 the charge. I've had customers tell me that  
 20 on a couple of occasions with regard to  
 21 certain charges. So, it's an important  
 22 component when you look at the transparency  
 23 that it can create some other issues.  
 24 MS. DAWSON:  
 25 Q. And I'm going to suggest -- and something that

Page 67

1 you mentioned yesterday when you did your --  
 2 when you did the tour of Newfoundland on rural  
 3 rates. There was an issue that you raised and  
 4 I'm going to bring it up again. That at least  
 5 as it relates to Labrador, there's great  
 6 wealth of resources there, either through  
 7 Churchill Falls and now through Muskrat Falls,  
 8 to the tune of, I think, a development to the  
 9 tune of, is it 700 -- no, it's over seven  
 10 billion now for Muskrat Falls. So it's a  
 11 great wealth of resources that at least people  
 12 in the Province of Newfoundland and Labrador  
 13 are going to benefit, but the people in  
 14 Nunatsiavut will not benefit from any of that  
 15 development. So, I put that in the context of  
 16 what your comments were yesterday. They say,  
 17 yes, we pay -- we contribute to the rural  
 18 deficit, but you guys are here developing our  
 19 hydroelectric resources or our falls and yet  
 20 we're not getting any benefit of it. So why  
 21 would you ever put it on a bill, right?  
 22 MR. FAGAN:  
 23 A. Yes, certainly, that's definitely the  
 24 perspective of the customers that I've met in  
 25 the Isolated Systems.

Page 68

1 MS. DAWSON:  
 2 Q. Okay. Now I think I just have a few follow  
 3 up. Yes, there is a -- in the Amended GRA,  
 4 there is a new idea of an isolated system  
 5 supply cost deferral account.  
 6 MR. FAGAN:  
 7 A. Okay.  
 8 MS. DAWSON:  
 9 Q. Could you explain that to me, please, how that  
 10 would work?  
 11 MR. FAGAN:  
 12 A. Okay. It's strictly a price variance deferral  
 13 account. We've -- I believe it's in one of  
 14 the finance schedules at the back of the  
 15 evidence. It's in the Finance evidence.  
 16 MS. DAWSON:  
 17 Q. 1.11R I have.  
 18 MR. FAGAN:  
 19 A. It's also in Finance Schedule 6. I think we  
 20 might have passed it. No, that's the --  
 21 that's in -- okay, we're getting there.  
 22 That's it.  
 23 So if we -- it's always easy to get A  
 24 times B minus C, it sounds fairly simple, but  
 25 you got to look at the definitions. So, we

Page 69

1 look at the -- the purpose is to look at the  
 2 actual cost, so if we look at B first. We  
 3 look at the actual cost of fuel supplied in a  
 4 year divided by the kilowatt hours and we come  
 5 up with an average cost, average actual cost  
 6 of purchases, and as well as fuel, so  
 7 production, and we compare it to the test year  
 8 costs, average costs, and multiply that by the  
 9 actual supplied kilowatt hours. So, we come  
 10 up with a dollar effect of the change in the  
 11 cost of supplying the isolated systems.  
 12 So, we have a certain forecast in our  
 13 test year for purposes of rate setting and we  
 14 talked about a change in fuel forecast  
 15 yesterday. So when Hydro filed its Amended  
 16 Application, it was based on \$93.32 and that  
 17 was No. 6 fuel, which is -- the price is  
 18 correlated to the No. 2 fuel that's used in  
 19 the Isolated Systems, okay. It's not direct  
 20 correlation, but it's related. So if the cost  
 21 of one goes up, usually the cost of the other  
 22 goes up or down. So they generally follow in  
 23 direction.  
 24 So, what this mechanism would do is if  
 25 the price of fuel went up before the next test

Page 70

1 year, each year, Hydro would determine what  
 2 the effect of that price change would be and  
 3 file an application for recovery of those  
 4 costs. I think it's in the subsequent year,  
 5 prior to March 1st, for recovery of those  
 6 costs to be recovered from customers  
 7 eventually, which would include any customers  
 8 who are paying the rural deficit, and the  
 9 effect of that would be flowed through to  
 10 other customers whose rates are impacted by  
 11 Newfoundland Power.  
 12 So this is just strictly about how it's  
 13 recovered. It doesn't get to the next stages  
 14 of how it would be dealt with after it's put  
 15 in deferral account for -- the Board would  
 16 approve some recovery mechanism for it. So,  
 17 if the price of fuel -- we've got a price, a  
 18 fairly high price in our test year. If the  
 19 price declined, then the savings go back to  
 20 customers. If we change the fuel price  
 21 forecast to reflect a more recent price with  
 22 say the \$70 we discussed yesterday and also a  
 23 lower diesel fuel price, assuming the  
 24 relationship is consistent, then if the price  
 25 of fuel goes up relative to the approved test

Page 71

1 year, then Hydro would recover the costs and  
 2 of course, if the price of fuel went down.  
 3 But we're at a stage now that we're at a lower  
 4 cost period, so setting the test year based on  
 5 lower cost period is a fairly large risk for  
 6 Hydro because one would anticipate that fuel  
 7 prices will go back up and Hydro will incur  
 8 the additional cost of supplying fuel to the  
 9 diesel areas. So this effectively would  
 10 provide savings to customers or savings to  
 11 Hydro, depending on the direction of where  
 12 fuel goes, relative to the forecast in the  
 13 test year.  
 14 (10:45 a.m.)  
 15 MS. DAWSON:  
 16 Q. Yes, but which customers are you benefitting  
 17 here? You're not suggesting the isolated  
 18 communities. You're going to benefit the  
 19 rural deficit -- people who pay into the rural  
 20 deficit?  
 21 MR. FAGAN:  
 22 A. If the price is set too high and there's  
 23 savings, then the savings would flow through  
 24 to the customers that pay the rural deficit,  
 25 but if it resulted in a rate change,

Page 72

1 contribute to a lower rate to their customers,  
 2 then that flows through through the -- as a  
 3 rate change to the Isolated System customers  
 4 as well.  
 5 MS. DAWSON:  
 6 Q. So we could benefit?  
 7 MR. FAGAN:  
 8 A. Yes, you could. It depends on the direction.  
 9 It could be a cost increase if the price goes  
 10 up or it could be a cost decrease if the price  
 11 goes down.  
 12 MS. DAWSON:  
 13 Q. So are you suggesting then that the -- and I'm  
 14 a little confused here. The savings that you  
 15 -- let's say the price goes down, but the  
 16 rates stay the same, but the price of diesel  
 17 goes down, are you suggesting that that may be  
 18 -- that the isolated communities may have the  
 19 benefit of a rate reduction?  
 20 MR. FAGAN:  
 21 A. There's the automatic rate adjustment that  
 22 occurs each July 1st which deals with  
 23 disposition of balances in the rate  
 24 stabilization plan balances, so Newfoundland  
 25 Power flows it through to their customers

Page 73

1 through their rate stabilization account. I'd  
 2 assume deferral account charges or savings  
 3 flow through to Newfoundland Power which  
 4 currently happens with Hydro's rate  
 5 stabilization. This would be the same  
 6 approach and so the savings from this, it  
 7 would flow through to Isolated Systems as  
 8 well, if there was savings or additional  
 9 costs.  
 10 MS. DAWSON:  
 11 Q. And why -- what was the thinking behind  
 12 putting this in place at this time? Because  
 13 it's new.  
 14 MR. FAGAN:  
 15 A. Well -  
 16 MS. DAWSON:  
 17 Q. Does it relate to the rate -  
 18 MR. FAGAN:  
 19 A. If you go to the Finance evidence, I think  
 20 there's a chart which shows the fuel price  
 21 variances. I think Mr. Henderson may have  
 22 referred to it earlier. Page 3.47, Section 3:  
 23 Finance. So, when Hydro's rates were set in  
 24 2007, in 2007 the cost per litre of diesel  
 25 fuel was just over mid 50 cents per litre.

Page 74

1 Then between 2008 and 2009, it went up to  
 2 \$1.10. So Hydro incurred those costs,  
 3 additional costs over that period and wouldn't  
 4 have received any recovery. Then there was  
 5 also the price dropped down to about 50 cents  
 6 in early 2009, so the savings that would have  
 7 occurred during that period, Hydro would have  
 8 achieved some savings. If you had a deferral  
 9 account in play, the additional costs for a  
 10 period would accumulate and go against the  
 11 savings if it's within the same period. But  
 12 over time, since 2007, the average cost per  
 13 litre has gone from just over 55 cents per  
 14 litre up to looks like mid 90s. So Hydro has  
 15 been incurring those costs and not getting  
 16 recovery through its rates from its customers.  
 17 So that's the reason we're proposing it at  
 18 this time.  
 19 MS. DAWSON:  
 20 Q. But I guess to draw on something that Mr.  
 21 Johnson related to earlier, this then would be  
 22 a shift of risk then from the -- more to the  
 23 customer versus the shareholder?  
 24 MR. FAGAN:  
 25 A. Well, I think on a cumulative basis, over

Page 75

1 time, if the price of fuel just went up or  
 2 down and on average stayed the same, on a  
 3 cumulative basis it probably wouldn't shift  
 4 risk. What it would result in would be more  
 5 of a stabilization of rates. So I think Mr.  
 6 Patrick Bowman talked about rate  
 7 stabilization. So this is similar to a rate  
 8 stabilization plan but from an Isolated System  
 9 perspective. That it's giving -- so it  
 10 doesn't necessarily -- because the utility  
 11 could get less -- if Hydro didn't have a  
 12 maximum on its earnings type thing, they could  
 13 make a lot more money in some years for  
 14 savings but incur a lot more costs in other  
 15 years. The cumulative effect over the years  
 16 may be zero, but with regard to reporting in a  
 17 single year, it could be material. So I think  
 18 most parties would probably say it would  
 19 reduce risk for Hydro, but Hydro believes it's  
 20 appropriate with respect to providing  
 21 reasonable cost recovery of providing service.  
 22 MS. DAWSON:  
 23 Q. I suppose, I guess my thinking is this, that  
 24 at least in -- since I've been buying gas, the  
 25 fuel rates or diesel rates or fuel rates are

Page 76

1 always going up and down and that hasn't  
 2 changed since I've been putting gas in my car  
 3 or diesel in a vehicle. So how is it  
 4 different in 2015, right now, versus years -  
 5 MR. FAGAN:  
 6 A. With respect to fuel, the Board approves price  
 7 changes to reflect the changes in costs so  
 8 that the company selling it recover their  
 9 costs. In our case, the fuel price goes up  
 10 for Hydro, but Hydro doesn't get to change the  
 11 price its charging its customers for it, so we  
 12 don't recover the costs.  
 13 MS. DAWSON:  
 14 Q. No, and I understand that, but my question is  
 15 why at this date are you looking for this and  
 16 you did not look for it in 2007 and I'm going  
 17 to suggest it's because you're shifting the  
 18 risk from shareholder to -- or from -- yeah,  
 19 from the shareholder to the customers.  
 20 They're going to bear the risk for this now.  
 21 MR. FAGAN:  
 22 A. Well, I think there's a lot of things that  
 23 have gone on since 2007 with respect to supply  
 24 cost variances and when we talked yesterday  
 25 about the rate stabilization plan where Hydro

Page 77

1 doesn't increase its earnings based on  
 2 increased energy sales from customers, okay.  
 3 And there's capital investment. There's  
 4 increasing in the system. So there's a lot  
 5 more cost pressures for Hydro with regard to  
 6 the increased capital investment. If we look  
 7 back to 2007 and prior years, I think the  
 8 capital budgets were materially lower than are  
 9 currently going before the Board. So you got  
 10 your depreciation costs, your return on your  
 11 investment. We've got aging assets referred  
 12 to by Mr. Martin and Mr. Henderson. So, we've  
 13 got a lot of other costs to try and manage.  
 14 So when you look at all that increased costs  
 15 then now looking at the price variability  
 16 that's been experienced that we think it's  
 17 appropriate that we address this now to  
 18 provide a more consistent stream of earnings  
 19 going forward.

20 MS. DAWSON:  
 21 Q. Okay. Thank you. That's all the questions I  
 22 have.

23 CHAIRMAN:  
 24 Q. Now I move to -- do you want to take your  
 25 break now or what do you want to do? Or do we

Page 78

1 want to finish off Mr. Fagan? Not literally  
 2 now, but you know.

3 MR. FAGAN:  
 4 A. Getting there.

5 MS. GLYNN:  
 6 Q. Ms. Greene has indicated that she would take  
 7 longer than five minutes, so I think the half-  
 8 hour break at this point.

9 CHAIRMAN:  
 10 Q. Okay. So we'll adjourn.

11 (BREAK - 10:54 a.m.)  
 12 (RESUME - 11:33 a.m.)

13 CHAIRMAN:  
 14 Q. So Madam, you are on.

15 MR. KEVIN FAGAN, CROSS-EXAMINATION BY MAUREEN GREENE,  
 16 Q.C.  
 17 GREENE, Q.C.:  
 18 Q. Thank you, Mr. Chair. Good morning, Mr.  
 19 Fagan.

20 MR. FAGAN:  
 21 A. Good morning, Ms. Greene.

22 GREENE, Q.C.:  
 23 Q. I wanted to first talk about the future  
 24 regulatory studies that Hydro has agreed the  
 25 schedule for filing as set out in the

Page 79

1 settlement agreement. You've already been  
 2 asked some questions on those. My question is  
 3 with respect to the marginal cost study  
 4 scheduled to be filed by the end of this year  
 5 and the two for next year, the cost of service  
 6 study by March 31st, 2016 and the report on  
 7 supply cost recovery mechanisms by June 15th,  
 8 2016. Could you please advise the Board where  
 9 Hydro is with the current schedule for those  
 10 studies and if you are on schedule?

11 MR. FAGAN:  
 12 A. The marginal cost study, so we've engaged a  
 13 consultant, Christensen Associates, to  
 14 complete the marginal cost study for us. We  
 15 initially had NERA, National Economic Research  
 16 Associates, review the methodology that they  
 17 would recommend because they did the last  
 18 marginal cost study. So they came forward  
 19 with a recommendation on an approach, which  
 20 was consistent with the approach they  
 21 recommended back in 2007, assuming  
 22 interconnection with Labrador. And so, we  
 23 were in the -- so we circulated all of that to  
 24 Newfoundland Power as well for their comments  
 25 before we proceeded, and so once we settled on

Page 80

1 an approach, we then engaged Christensen who  
 2 came up to Hydro and we've been in meetings  
 3 and went through data gathering, information  
 4 gathering exercise and they're continuing to  
 5 provide a list of information required. I  
 6 think within the next week or so, hopefully  
 7 we'll have all the information required for  
 8 Christensen to complete the marginal cost  
 9 study. But as of now, we believe we're still  
 10 on schedule for that one.

11 GREENE, Q.C.:  
 12 Q. Okay.

13 MR. FAGAN:  
 14 A. The cost of service methodology, we sat down  
 15 and -- well, at the time when we were sitting  
 16 down and defining the scope of the cost of  
 17 service methodology, we were also in  
 18 settlement negotiations and so we've made sure  
 19 that the cost of service methodology scope  
 20 reflects the settlement agreements, and we've  
 21 got -- we've had discussions on the approach  
 22 by Christensen on that particular study.  
 23 They'll be doing that as well. They're a  
 24 fairly large firm. They've got about I  
 25 believe 55 consultants, so they've got a lot

Page 81

1 of resources. So that one, we don't have any  
 2 reason to believe that that one will be behind  
 3 schedule. I believe it's currently on  
 4 schedule.  
 5 The rate design review, we've defined the  
 6 scope of the rate design review with respect  
 7 to at this stage dealing with Industrial  
 8 Customer rates and the wholesale rate. It's  
 9 not a review of retail rates at this stage.  
 10 So, Christensen has reviewed all the contracts  
 11 with respect to purchases of Muskrat Falls  
 12 power and that combined with the information  
 13 as we get the marginal cost study completed  
 14 and the cost of service methodology review  
 15 will be used in the rate design review. So,  
 16 that aspect we believe is -- it's a tight  
 17 schedule, but we still think we can meet the  
 18 schedule.  
 19 The supply cost recovery mechanism  
 20 review, that one, we've done a little bit of  
 21 education with respect to the rate  
 22 stabilization plan, but that one, we're  
 23 putting as a fairly high priority with respect  
 24 to having Christensen review all the contracts  
 25 and all the flow through of costs once

Page 82

1 Labrador Interconnection proceeds to determine  
 2 how costs will vary into the future and flow  
 3 through to Hydro and to be proposed for  
 4 recovery. So analysing the cost variances  
 5 with respect to capital and how capital  
 6 investments are dealt with versus operating  
 7 costs versus purchases if hydraulics on the  
 8 island is above or below normal, analysing  
 9 that aspect of it to come up with some  
 10 assessment of what mechanisms are required in  
 11 the future. So that one is at the preliminary  
 12 stages, but we still think we can meet the  
 13 schedule.  
 14 GREENE, Q.C.:  
 15 Q. Thank you. I wanted to talk to you now about  
 16 the rate increases that Hydro is seeking  
 17 approval of in this application, and if we  
 18 could turn first, please, to Table 4.15 in  
 19 your application?  
 20 MR. FAGAN:  
 21 A. Is that at page 4.50?  
 22 GREENE, Q.C.:  
 23 Q. I don't have the page number here.  
 24 MS. GRAY:  
 25 Q. Yes, it is.

Page 83

1 GREENE, Q.C.:  
 2 Q. There's Table 4.15. There we go, yes. So  
 3 this was in Hydro's Amended Application that  
 4 was filed in November 2014. Is that correct?  
 5 MR. FAGAN:  
 6 A. That's correct.  
 7 GREENE, Q.C.:  
 8 Q. And there, we see Hydro was proposing at that  
 9 time for Newfoundland Power, after an RSP  
 10 adjustment, an overall increase of 4.1  
 11 percent. Is that correct?  
 12 MR. FAGAN:  
 13 A. Yes.  
 14 GREENE, Q.C.:  
 15 Q. And that was based on your proposed \$93 and  
 16 some odd cents for No. 6 fuel? Is that  
 17 correct?  
 18 MR. FAGAN:  
 19 A. That's correct.  
 20 GREENE, Q.C.:  
 21 Q. And in the media in this hearing, we've heard  
 22 an increase of 2.8 percent being proposed.  
 23 That 2.8 percent, is it correct to say that  
 24 that comes from this, your original  
 25 application? That the 4.1 percent would

Page 84

1 translate into 2.8 percent at the end consumer  
 2 level?  
 3 MR. FAGAN:  
 4 A. That's correct. It's an estimated number, but  
 5 it's - you know.  
 6 GREENE, Q.C.:  
 7 Q. And I think this morning you said it's roughly  
 8 a two-thirds flow through?  
 9 MR. FAGAN:  
 10 A. That's correct.  
 11 GREENE, Q.C.:  
 12 Q. Okay. And at that time, you were also looking  
 13 at an increase of 39.2 percent for Industrial  
 14 Customers? Is that correct?  
 15 MR. FAGAN:  
 16 A. Yes, that's correct.  
 17 GREENE, Q.C.:  
 18 Q. And I won't take you through the others, but  
 19 we do see that you've also indicated the  
 20 proposed increases you were seeking in  
 21 November of 2014 based on your application for  
 22 all your customer classes. What I wanted to  
 23 do now is to go to PUB-NLH-485 and this was a  
 24 question put to Hydro by the Board to ask  
 25 Hydro to reflect the impact of the interim

Page 85

1 order and the change in rates that happened on  
 2 July 1, and the question was asked in terms of  
 3 your price for No. 6 fuel of \$93, which is  
 4 still in your application -- and that's Table  
 5 1, so if we could look at Table 1, Mr. Fagan.  
 6 So am I correct in saying that this is  
 7 the comparison we should make to your original  
 8 filing, your original table, the 4.15 that we  
 9 just looked at?  
 10 MR. FAGAN:  
 11 A. Yes. As a result of the July 1st rate change,  
 12 which was a decrease for customers in the  
 13 neighbourhood of around five percent, that the  
 14 -- of course, with the proposed rates that  
 15 were put forward in November still reflecting  
 16 the \$93 a barrel, the increase for  
 17 Newfoundland Power on the wholesale rate would  
 18 have went from 4.1 to 10.3 and on a retail  
 19 level would have went from 2.8 to 7.0.  
 20 GREENE, Q.C.:  
 21 Q. Right. So based on the application that Hydro  
 22 has filed, the application as you just  
 23 mentioned, is proposing the 10.3 percent for  
 24 Newfoundland Power, which is roughly seven  
 25 percent at the end consumer level? Is that

Page 86

1 correct? Do we cover the revenue requirement  
 2 that you have included in your application  
 3 which hasn't been amended?  
 4 MR. FAGAN:  
 5 A. That's right. And that's the one that's  
 6 reflecting the fuel price of approximately  
 7 \$93.  
 8 GREENE, Q.C.:  
 9 Q. Okay.  
 10 MR. FAGAN:  
 11 A. Fuel cost.  
 12 GREENE, Q.C.:  
 13 Q. And is that what Hydro's proposal is before  
 14 the Board?  
 15 MR. FAGAN:  
 16 A. That's the current application. However, I  
 17 mean, I've looked back at previous general  
 18 rate applications and the Board -- well,  
 19 within the rate stabilization plan rules,  
 20 there is a requirement that if a more current  
 21 fuel price forecast is on the record, then  
 22 it's reflected in an application before the  
 23 Board, that the Board would use that for  
 24 establishing customer rates. Now, the rate  
 25 stabilization plan provides it to be done

Page 87

1 through a fuel rider. I think it's probably  
 2 more appropriate that you do it through a test  
 3 year price difference from a -- with respect  
 4 to how we do rate design and stuff, I think it  
 5 makes more sense. But, so from -- so it would  
 6 be anticipated by Hydro that whether it's done  
 7 through a fuel rider or through a test year  
 8 price adjustment that the customer impacts  
 9 would be less than presented here, because of  
 10 the new fuel price forecast that will be filed  
 11 next week.  
 12 GREENE, Q.C.:  
 13 Q. And then we'll come to that, I guess. One of  
 14 -- to put it in context, one of the reasons  
 15 for asking the question was there was the  
 16 confusion as to what Hydro's proposal actually  
 17 is with respect to the rate increase. There  
 18 was the 2.8 percent in the media. We see from  
 19 here it's more like seven percent at the end  
 20 consumer level, on an apples to apples  
 21 comparison to your application.  
 22 MR. FAGAN:  
 23 A. I think when those -- we struggled with  
 24 actually communications somewhat because  
 25 knowing that the fuel price change that's

Page 88

1 occurred out there will be reflected in  
 2 customer rates at the end of the day, so there  
 3 was some complication and not trying to create  
 4 some impression that there may be a seven  
 5 percent increase when our most current  
 6 information would indicate it would be less.  
 7 So, there was reluctance to go out with the  
 8 higher number rather and create confusion.  
 9 GREENE, Q.C.:  
 10 Q. And I understand that in fact that's why in  
 11 the question from the Board, the information  
 12 was asked to be presented with a fuel price  
 13 that was used to set the interim rate. So if  
 14 we could look at Table 2?  
 15 MR. FAGAN:  
 16 A. Okay.  
 17 GREENE, Q.C.:  
 18 Q. But Hydro chose not to amend your application  
 19 with respect to fuel price, did you?  
 20 (11:45 a.m.)  
 21 MR. FAGAN:  
 22 A. Well, we view it as a -- there will be a lot  
 23 of changes to the numbers as we proceed  
 24 through the GRA, so as I mentioned earlier  
 25 with respect to the specifically assigned

Page 89

1 charge for the Industrial Customers, we didn't  
 2 think just a -- if we recommended a single  
 3 change item from what was in the original  
 4 application, we didn't think it was necessary  
 5 to or most effective to fully amend the  
 6 application for that.  
 7 GREENE, Q.C.:  
 8 Q. We'll come to the specifically assigned  
 9 charge, but on fuel price?  
 10 MR. FAGAN:  
 11 A. Yes, I agree with what you said.  
 12 GREENE, Q.C.:  
 13 Q. Okay. So when we look at Table 2, that will  
 14 show the impact if the price used in the  
 15 interim rate application of \$73.75 a barrel is  
 16 used? Is that correct?  
 17 MR. FAGAN:  
 18 A. Yes.  
 19 GREENE, Q.C.:  
 20 Q. And you've given evidence and you'll be filing  
 21 a new fuel forecast that is showing a forecast  
 22 for 2016 of \$70.00 per barrel for No. 6 fuel?  
 23 Is that correct?  
 24 MR. FAGAN:  
 25 A. Approximately. Between 69 and 70.

Page 90

1 GREENE, Q.C.:  
 2 Q. And will Hydro be proposing that that fuel  
 3 price be the one accepted by the Board?  
 4 MR. FAGAN:  
 5 A. One of the things -- I'd say yes, but I just  
 6 want to explain it a little bit. And we've  
 7 discussed a little bit about desirability to  
 8 have rates for January 1st for Industrial  
 9 Customers as well. So, as well as we talked  
 10 about the revenue deficiency for 2015 that the  
 11 rates that the Board approved July 1st deals  
 12 with Newfoundland Power's and not Industrial  
 13 Customers. So, Hydro is currently looking at  
 14 what should be done for January 1st and just  
 15 gathering the information and talked to Mr.  
 16 Coxworthy yesterday with respect to RSP and  
 17 we'll talk with the Industrial Customers  
 18 before we file anything with respect to a plan  
 19 for that. But, so we've -- so really  
 20 gathering the information with respect to that  
 21 proposal.  
 22 Because normally what we file for the  
 23 Industrial Customers is actually the fuel  
 24 price protection initially not an application,  
 25 okay. The application -- unfortunately

Page 91

1 there's been no changes in Industrial Customer  
 2 rates since 2007, so the process hasn't  
 3 necessarily been clear to everybody, but once  
 4 the year end balances are established for the  
 5 rate stabilization plan, Hydro would file its  
 6 application in January to reflect the fuel  
 7 price that was put out there in October. So,  
 8 you wait 'til you get the full year end  
 9 numbers. So, we're saying well, that process  
 10 really doesn't work with respect to getting  
 11 something in in January. So we're trying to  
 12 develop an approach to get rates in effect for  
 13 Industrial Customers for January 1st and so  
 14 we'll be providing additional information and  
 15 in discussions with all the parties, including  
 16 Board staff on that.  
 17 GREENE, Q.C.:  
 18 Q. So with respect to the question of Hydro's  
 19 proposal on fuel price to be used -  
 20 MR. FAGAN:  
 21 A. We do agree that the fuel price of \$69.00,  
 22 between 69 and \$70, is appropriate for rates  
 23 for 2016. There's a question we may want to  
 24 use a different one for 2015 for purposes of  
 25 the RSP run for '15, the net income deficiency

Page 92

1 for '15.  
 2 GREENE, Q.C.:  
 3 Q. And we'll come to the 2014 and 2015 revenue  
 4 deficiencies.  
 5 MR. FAGAN:  
 6 A. Okay.  
 7 GREENE, Q.C.:  
 8 Q. So if you stay with me with respect to this,  
 9 so the information is that this was based on  
 10 the \$73.00 a barrel, so it is more  
 11 representative of what may happen, assuming  
 12 that Hydro's proposed revenue requirement is  
 13 fully accepted by the Board?  
 14 MR. FAGAN:  
 15 A. Yes, that's correct.  
 16 GREENE, Q.C.:  
 17 Q. Okay. So here we would see at \$73.00 a  
 18 barrel, there would actually, given the RSP  
 19 adjustment, a decrease proposed for  
 20 Newfoundland Power and a smaller increase for  
 21 the Industrial Customers? Is that correct?  
 22 MR. FAGAN:  
 23 A. Yes.  
 24 GREENE, Q.C.:  
 25 Q. When does Hydro hope to be in a position to

Page 93

1 provide an update with respect to the proposed  
 2 fuel price it will be proposing?  
 3 MR. FAGAN:  
 4 A. I think there's a requirement that we file  
 5 within ten working days, first ten working  
 6 days of October. So that would be fairly  
 7 soon.  
 8 GREENE, Q.C.:  
 9 Q. And maybe I misunderstood. I understood that  
 10 you may not be -- you're under advisement as  
 11 to whether that specific price will be the  
 12 price that you're suggesting for the January 1  
 13 adjustment for Industrial Customers.  
 14 MR. FAGAN:  
 15 A. Well, we will proceed with providing that, the  
 16 actual price information within the scheduled  
 17 time. With regard to the impacts on the test  
 18 year -- because I think if we're going to be  
 19 adjusting the test year for that, you'd also  
 20 want to be looking at what the most recent  
 21 diesel fuel price forecast was as well. So, I  
 22 was anticipating we would provide the  
 23 information reflecting the fuel price  
 24 differential, but -- and if we could, and had  
 25 all the information in time, we could come up

Page 94

1 with what an estimated impact on test year  
 2 revenue requirement would be with respect to  
 3 both numbers, both No. 2 and No. 6 fuel. So  
 4 I've got people working on coming up with  
 5 those.  
 6 GREENE, Q.C.:  
 7 Q. And I understood that and I guess my question  
 8 was an estimate of timing when the information  
 9 would be available for the parties and the  
 10 Board.  
 11 MR. FAGAN:  
 12 A. Hopefully it would be within the first ten  
 13 days, working days of October, so we could do  
 14 it all within the regular timeframe.  
 15 GREENE, Q.C.:  
 16 Q. Okay. So turning to the 2014 revenue  
 17 deficiency, you already indicated that your  
 18 involvement, as I understood it, was with  
 19 respect to how the deficiency, whatever the  
 20 amount the Board approves is, would be  
 21 recovered as opposed to how it was calculated.  
 22 Is that correct?  
 23 MR. FAGAN:  
 24 A. Yeah, my role was more focused on recovery of  
 25 the amount that would be determined by the

Page 95

1 Board.  
 2 GREENE, Q.C.:  
 3 Q. You are aware that the 2014 revenue deficiency  
 4 is based on five months of actual costs and  
 5 seven months of forecast costs to determine  
 6 the 45.9 million?  
 7 MR. FAGAN:  
 8 A. That's correct, I am.  
 9 GREENE, Q.C.:  
 10 Q. I wonder if we could go to the transcript,  
 11 October 5th, please, page 149? So at page  
 12 149, lines six to nine, and I won't -- unless  
 13 you want to, I don't think we need to go back  
 14 to the previous page, but here you were  
 15 responding to a question from Mr. O'Brien and  
 16 it was to deal with the revenue deficiency for  
 17 2014 and the fact that the Prudence Review was  
 18 looking at some of those costs, but your  
 19 answer there was "it is my understanding, but  
 20 all the costs are obviously before the Board  
 21 for review." And I wanted to ask you for the  
 22 2014 revenue deficiency, the 2014 test year,  
 23 how do you see the Board reviewing those  
 24 costs?  
 25 MR. FAGAN:

Page 96

1 A. Well, Grant Thornton has completed its report  
 2 reviewing Hydro's 2014 costs and provided its  
 3 report on that, so -- and that the Board will  
 4 hear -- has heard some evidence and will hear  
 5 more evidence on Hydro's costs and basis for  
 6 the costs, cost management. So the Board, my  
 7 view that the Board would rule on what a  
 8 reasonable 2014 test year revenue requirement  
 9 would be.  
 10 GREENE, Q.C.:  
 11 Q. And in reviewing and deciding on the  
 12 reasonableness of the 2014 test year, what, in  
 13 your opinion, is the role for the actual cost  
 14 incurred in 2014, seeing that we're now almost  
 15 -- we'd be looking at 2016 before we probably  
 16 get an order from this matter?  
 17 MR. FAGAN:  
 18 A. We'll always view a test year as a test year  
 19 and that unless some -- unless the test year  
 20 is revised for some reason, the Board would  
 21 evaluate the test year costs and the actual  
 22 costs generally are at the risk of the  
 23 utility, if they're -- assuming they're above  
 24 test year.  
 25 GREENE, Q.C.:

Page 97

1 Q. So if in the Prudence Review it is determined  
 2 that certain actual costs which were spent  
 3 were imprudent, would that mean that the Board  
 4 would ignore the fact -- that fact when  
 5 looking at your 2014 forecast cost?  
 6 MR. FAGAN:  
 7 A. I think the Board would want to look at -- I'd  
 8 look at the 2014 test year as Hydro presented  
 9 its forecast based on five months actual and  
 10 seven months forecast. If one -- if a lot of  
 11 additional costs were incurred in the latter  
 12 half of 2014 for certain projects that weren't  
 13 reflected in the test year, then Hydro  
 14 incurred those costs in 2014 and didn't get  
 15 recovery of those costs through higher rates  
 16 anyway. So, those are -- they haven't been  
 17 put before the Board for review, so if Liberty  
 18 reviewed those costs and said Hydro shouldn't  
 19 get recovery and removed them from the 45.9  
 20 million deficiency which never included those  
 21 costs to me it would be effectively double  
 22 counting of the costs because Hydro would have  
 23 already incurred the costs and not got  
 24 recovery. So if you took it out of the  
 25 revenue requirement for '14, they'd be

Page 98

1 penalized twice.  
 2 GREENE, Q.C.:  
 3 Q. This may be a question that's better for the  
 4 Finance Panel, but is it Hydro's position that  
 5 the 2014 forecast deficiency is not going to  
 6 be updated, the 45.9 million?  
 7 MR. FAGAN:  
 8 A. It's my understanding it's not, but you can  
 9 just double check with the Finance Panel.  
 10 GREENE, Q.C.:  
 11 Q. Turning to the 2015 revenue deficiency, I  
 12 wonder if we could go to the transcript of  
 13 October 5th, page 138, and it's lines two  
 14 through 17, and I'll give you a moment to read  
 15 it. So this relates to the application Hydro  
 16 has made to defer costs from 2015 and seek to  
 17 recover them later. In listening and then  
 18 reading the transcript, we didn't quite  
 19 understand why if you were looking for 70  
 20 percent at the time you filed, but if the  
 21 matter is not dealt with soon, as you get  
 22 closer to year end, you may need to amend the  
 23 application to get a higher proportion of the  
 24 forecast revenue deficiency.  
 25 MR. FAGAN:

Page 99

1 A. It was anticipated -- the 70 percent was based  
 2 on looking at other jurisdictions and what  
 3 they would achieve when requesting interim  
 4 rates. So, Hydro proposed interim rates with  
 5 the anticipation of having them implemented  
 6 earlier. I don't -- I'm not sure if it was  
 7 March or April, but earlier, in an earlier  
 8 period, earlier date than was actually  
 9 achieved. So, the delay in implementation of  
 10 interim rates up to July resulted in an  
 11 increased deficiency beyond the 70 percent.  
 12 Even if -- so when we filed that, it was  
 13 Hydro's -- it was in anticipation that Hydro  
 14 would have an order for prior to the end of  
 15 this year. Now we're looking at maybe not  
 16 having a final order until next year. So,  
 17 it's more about that the schedule has gone on  
 18 longer. But now, we recognize that we're not  
 19 going to have an approval prior to the end of  
 20 2015, whether a 70 percent recovery of our  
 21 revenue deficiency wouldn't be reasonable for  
 22 financials for 2015.  
 23 GREENE, Q.C.:  
 24 Q. Now the 70 percent was based on, in part, it's  
 25 my recollection, that it was because there was

Page 100

1 a number of items that were contentious in the  
 2 revenue requirement and that parties were --  
 3 may during the course of this proceeding  
 4 challenge, so that it wouldn't be appropriate  
 5 to recover the full amount of your forecast  
 6 deficiency. Was that part of your rationale?  
 7 MR. FAGAN:  
 8 A. Not really. It was more about practice.  
 9 There was obviously contentious items and I  
 10 think it's very clear on the record where  
 11 Hydro has disagreed with some items and not  
 12 disagreed with others. But I think the dollar  
 13 amount of 30 percent of the proposed change in  
 14 revenue requirement would probably be well  
 15 beyond, I think, any amount that would  
 16 probably be disallowed based on a Board review  
 17 of Hydro's costs.  
 18 GREENE, Q.C.:  
 19 Q. So where did the 70 percent come from?  
 20 MR. FAGAN:  
 21 A. It came from looking at other utilities and  
 22 implementing interim rates about the general -  
 23 - an estimate of the percentage that would be  
 24 permitted through recovery of interim rates  
 25 prior to full testing of the costs.

Page 101

1 GREENE, Q.C.:

2 Q. Right. So the 70 percent came from the

3 practice in other jurisdictions to take into

4 account the fact that the revenue requirement

5 may be reduced through the Board process?

6 (12:00 p.m.)

7 MR. FAGAN:

8 A. Right.

9 GREENE, Q.C.:

10 Q. Okay.

11 MR. FAGAN:

12 A. Now Hydro hasn't -- we're reviewing it. We

13 only started discussions on this last week. I

14 was speaking with the general manager and

15 we're talking about, okay, the 2015

16 application hasn't been addressed, so we need

17 to sit back and look, look at this and see if

18 we need to make a change and determine where

19 the application is and determine where we go

20 from here. We haven't sat down and actually

21 determined what we're doing with respect to

22 this yet.

23 GREENE, Q.C.:

24 Q. And that was actually my next question. Would

25 you have any understanding at this time of the

Page 102

1 time period in which you may be filing an

2 amended application or making that decision

3 whether to file or not file?

4 MR. FAGAN:

5 A. I think it'll probably be -- have to be

6 decided in the next few weeks. We want to

7 give the Board time to review and have proper

8 process.

9 GREENE, Q.C.:

10 Q. With respect to the 2014 revenue deficiency,

11 you've already explained it's Hydro's position

12 that the test year forecast is the one that

13 should be used and from your perspective, it

14 shouldn't be adjusted. Is that -- I

15 understood your answer previously, is that

16 correct?

17 MR. FAGAN:

18 A. For evaluating recovery of costs for 2015,

19 yes.

20 GREENE, Q.C.:

21 Q. So the 2015 proposed revenue deficiency --

22 sorry -

23 MR. FAGAN:

24 A. Forecast.

25 GREENE, Q.C.:

Page 103

1 Q. The 2015 test year which is a forecast, it

2 would be the same, is it, that it would be

3 generally the test year would not be adjusted

4 except following the Board's decision as to

5 what would be reasonable expenses or other

6 decisions on issues that are before them?

7 MR. FAGAN:

8 A. Yes. The only thing, and I mentioned it in my

9 opening statement with regard to looking at

10 2015 net income deficiency different, and we

11 need -- if you want to look forward and see if

12 rates are reasonable for 2016, but you're

13 probably going there next.

14 GREENE, Q.C.:

15 Q. Yes, so perhaps if you look at the transcript

16 for that, October 5th, page 111. I'm just

17 going to ask you to explain that. So

18 generally you wouldn't adjust the test year,

19 except when the Board does with respect to

20 whatever they allow or disallow based on the

21 evidence in the hearing?

22 MR. FAGAN:

23 A. I agree.

24 GREENE, Q.C.:

25 Q. Okay.

Page 104

1 MR. FAGAN:

2 A. But I provided the example of the Holyrood

3 combustion turbine in my opening statement.

4 So, the Holyrood combustion turbine, when the

5 2015 test year was developed, it was assumed

6 that the Holyrood combustion turbine would be

7 in service in December. So, the full cost of

8 the Holyrood combustion turbine are reflected

9 in the test year revenue requirement. There

10 was delayed implementation, so -- I'm not sure

11 of the exact date, maybe late January or

12 February before it got in in service. So,

13 what normally would occur in calculating the

14 rate base, you'd take the Holyrood combustion

15 turbine out of the opening balance in rate

16 base because it was assumed for purposes of

17 the test year to be in the opening balance.

18 So that would reduce the rate base and

19 therefore have an impact on the return and --

20 return mostly, I guess maybe some depreciation

21 expense as well because of delayed

22 implementation. So that would reduce the

23 revenue requirement for 2015.

24 However, due to delayed rate

25 implementation that we may not have rates go

Page 105

1 early '16, then the Holyrood combustion  
 2 turbine would be in service for all of the  
 3 year, the rate year, rather than the test  
 4 year. So Hydro believes it's reasonable that  
 5 it should recover the full cost associated  
 6 with the Holyrood combustion turbine because  
 7 it's in service for the whole period in which  
 8 the rates are being applied. So if the Board  
 9 approved an exclusion of that for I'll call it  
 10 half year adjustment because it wouldn't have  
 11 been in the opening balance, Hydro would be  
 12 forced to maybe a potential five million  
 13 dollar impact or more, be incurring that cost  
 14 over the next two years until the next general  
 15 rate application. So we wouldn't be  
 16 recovering the full cost associated with the  
 17 Holyrood combustion turbine. So that's why I  
 18 was trying to make a distinction with regard  
 19 to capital assets for purposes they may want  
 20 to consider in rate base that you may need to  
 21 -- want to adjust rate base for determining  
 22 revenue requirement for rate setting separate  
 23 from revenue requirement for determining the  
 24 2015 net income deficiency.  
 25 GREENE, Q.C.:

Page 106

1 Q. And is Hydro going to propose that  
 2 specifically to the Board as an adjustment  
 3 that they are proposing?  
 4 MR. FAGAN:  
 5 A. Yes, we will.  
 6 GREENE, Q.C.:  
 7 Q. Are there any other adjustments that Hydro is  
 8 thinking about at this point in time?  
 9 MR. FAGAN:  
 10 A. We've only been mainly -- only talking really  
 11 about the capital because that's the biggest  
 12 piece of the cost. So Hydro has proposed no  
 13 other adjustments. I mean, rates will be  
 14 going in for '16 reflecting 2015 costs that  
 15 are from an operating perspective. That in  
 16 itself is a productivity allowance  
 17 effectively. But this is the only issue that  
 18 Hydro has been presenting because it's such a  
 19 material issue with regard to revenue  
 20 requirement for Hydro.  
 21 GREENE, Q.C.:  
 22 Q. And you will be bringing forward a proposal  
 23 with respect to that, I understood your  
 24 answer, or do we take it from your evidence?  
 25 MR. FAGAN:

Page 107

1 A. Well, we -- I think we probably should provide  
 2 some information on what the impact of that  
 3 adjustment would be to the Board so that they  
 4 would be quite clear in determining the 2016,  
 5 the adjustment to rate base for that.  
 6 GREENE, Q.C.:  
 7 Q. Okay. So I take it then that Hydro would be  
 8 submitting a proposal to more fully explain  
 9 that.  
 10 MR. FAGAN:  
 11 A. Do you call that an undertaking?  
 12 GREENE, Q.C.:  
 13 Q. No, I'd consider it an amendment to your  
 14 application.  
 15 MR. FAGAN:  
 16 A. Amendment, okay.  
 17 GREENE, Q.C.:  
 18 Q. Or further clarification of your application,  
 19 whichever Hydro would prefer to call it.  
 20 MR. FAGAN:  
 21 A. Certainly we're planning on discussing it in  
 22 final argument, but I think it would be proper  
 23 to have the clear impact of it. I know a lot  
 24 of it is presented actually in the response to  
 25 the RFI that we talked about. I believe it's

Page 108

1 PUB-487. Anyway, that's only fairly high  
 2 level summary. We'd want to give more detailed  
 3 information to the Board on that.  
 4 GREENE, Q.C.:  
 5 Q. Okay, now Mr. Patrick Bowman suggested another  
 6 change to reflect the financing cost  
 7 associated with the RSP surplus refund.  
 8 MR. FAGAN:  
 9 A. Yes, I understand his proposal, but I think  
 10 that one you'd have to deal with Mr. Pelley in  
 11 the Finance Panel on that one.  
 12 GREENE, Q.C.:  
 13 Q. But I took - has Hydro considered that  
 14 suggestion or proposal from the industrial  
 15 customers?  
 16 MR. FAGAN:  
 17 A. Hydro has, but there's a - we view that as  
 18 singling out one particular item on the  
 19 finance side versus other cost increase items,  
 20 so I think we wouldn't agree with Mr. Patrick  
 21 Bowman on that particular recommendation.  
 22 GREENE, Q.C.:  
 23 Q. I'm sorry, you wouldn't agree?  
 24 MR. FAGAN:  
 25 A. We wouldn't, no, we wouldn't.

Page 109

1 GREENE, Q.C.:

2 Q. So at this point in time, the discussion we've

3 just had on the combustion turbine is the only

4 change Hydro has identified that it will be

5 seeking with respect to the 2015 test year?

6 MR. FAGAN:

7 A. Well, I think - my example was the combustion

8 turbine, but I think we were talking

9 specifically about capital assets. Grant

10 Thornton's Report recommended adjusting the

11 2015 test year for capital assets that weren't

12 - the projects weren't finished in '14 and

13 were carried into '15. So we viewed it should

14 be appropriate for all the capital projects.

15 GREENE, Q.C.:

16 Q. So it's all of those capital, not just the CT?

17 MR. FAGAN:

18 A. Yeah.

19 GREENE, Q.C.:

20 Q. So turning to another topic which is rural

21 rates, and Mr. Dawson did cover with you some

22 of the questions that I did have for you on

23 this, but I still have a few. First I'd like

24 to bring you to the transcript of October 5th

25 at page 87, line 22. So you were describing

Page 110

1 the rural deficit and in lines 22 to 24, you

2 said, "Government policy on rural rates is

3 based on providing affordable electricity to

4 customers on Hydro's rural systems".

5 MR. FAGAN:

6 A. That's my view.

7 GREENE, Q.C.:

8 Q. I was going to ask you the basis for the

9 statement?

10 MR. FAGAN:

11 A. Well -

12 GREENE, Q.C.:

13 Q. Is it in any of the Orders in Council that are

14 on file for the hearing from the government

15 with respect to rural rates, their rationale

16 for why they gave direction?

17 MR. FAGAN:

18 A. I don't think so.

19 GREENE, Q.C.:

20 Q. No.

21 MR. FAGAN:

22 A. No. Mine was only based on the fact that the

23 average cost is 80 cents, and the effect of

24 the policy is more about my view of

25 affordable.

Page 111

1 GREENE, Q.C.:

2 Q. So it's your view of that. Has government -

3 or has Hydro had any discussions with

4 government about this concept of affordable

5 electricity rates and what it means for

6 customers? Let's start with you, have you in

7 your role as Manager of Rates, have you had

8 any discussions?

9 MR. FAGAN:

10 A. I've had discussions -

11 GREENE, Q.C.:

12 Q. With government about affordable electricity

13 rates and what it means for rural customers?

14 MR. FAGAN:

15 A. Well, every few weeks there's usually a

16 meeting between Hydro and representatives of

17 government on different issues, and so rates

18 issues come up occasionally, so I'm requested

19 to attend and discuss rates issues that are

20 active and often in the general rate

21 proceeding, and so we talk about the rural

22 subsidy and the impact on customers, but I

23 don't know if anyone has ever specifically

24 used the words with regard to that's what the

25 direction is somewhat. It's more my

Page 112

1 assessment of what the effect is.

2 GREENE, Q.C.:

3 Q. And in those discussions with government with

4 respect to rural rates, who would have

5 attended on behalf of Hydro?

6 MR. FAGAN:

7 A. It would have been me.

8 GREENE, Q.C.:

9 Q. Only you?

10 MR. FAGAN:

11 A. Well, what we do - you've got a number of

12 issues to be dealt with my government in the

13 meeting, and so different people come in at

14 different times to deal with their area. So

15 when it's on the rates aspect, I'm there and

16 usually someone from shareholder relations may

17 be there.

18 GREENE, Q.C.:

19 Q. So it's you and customer relations?

20 MR. FAGAN:

21 A. No, I think they're called Corporate and

22 Shareholder - it's Ms. Dalley's group.

23 GREENE, Q.C.:

24 Q. So coming back to the statement here with

25 respect to that, that's your conclusion, your

Page 113

1 own personal conclusion because there's  
 2 nothing you can refer us to as to a statement  
 3 for the basis for government policy, is there?  
 4 MR. FAGAN:  
 5 A. I thought there was something -  
 6 GREENE, Q.C.:  
 7 Q. I'll help you out. It's not in any of the  
 8 Orders in Council that are on file.  
 9 MR. FAGAN:  
 10 A. I thought there was something in - I don't  
 11 know if it's in the Electrical Power Control  
 12 Act that talks about customers in similar  
 13 circumstances paying, you know, same rates,  
 14 there may be some statement there.  
 15 GREENE, Q.C.:  
 16 Q. That's a general statement in the Electrical  
 17 Power Control Act, and how rates are set  
 18 generally?  
 19 MR. FAGAN:  
 20 A. Right, so I don't know whether that would be a  
 21 view that if it's domestic customer, a  
 22 Newfoundland Power domestic customer or a  
 23 Hydro domestic customer on the island  
 24 interconnected system, for example, that they  
 25 pay the same rates, somewhat consistent with

Page 114

1 that particular statement. To me, that's the  
 2 way I would interpret it.  
 3 GREENE, Q.C.:  
 4 Q. Well, you do realize that that position has  
 5 never been put forward by Hydro before in the  
 6 2001, 2003, or 2006 hearing with respect to  
 7 the policy for rural rates?  
 8 MR. FAGAN:  
 9 A. Well -  
 10 GREENE, Q.C.:  
 11 Q. To rely on the power policy and the Electrical  
 12 Power Control Act?  
 13 MR. FAGAN:  
 14 A. I was specifically referring to the island  
 15 interconnected system, though, that these  
 16 customers are on the same system, so they're  
 17 paying the same rates. I viewed it there more  
 18 than with respect to the isolated systems.  
 19 GREENE, Q.C.:  
 20 Q. And again that hasn't been advanced before by  
 21 Hydro as a reason or a rationale for the  
 22 government policy about the interconnected  
 23 rates, has it, to you knowledge?  
 24 MR. FAGAN:  
 25 A. I wouldn't be able to say. I don't know.

Page 115

1 GREENE, Q.C.:  
 2 Q. So if we come to the island interconnected  
 3 system customers, I wonder if we could look at  
 4 NP-NLH-035, Revision 2, and this was a  
 5 question for the revenue to cost ratios for  
 6 the systems by year. So if we could go to the  
 7 next page. We see for the island  
 8 interconnected system, the one we were just  
 9 discussing, the revenue to cost ratio is .67,  
 10 so those customers are roughly paying two-  
 11 thirds of the cost of serving, and is that  
 12 correct?  
 13 MR. FAGAN:  
 14 A. Yes, based on 2015 test year, that was the  
 15 forecast.  
 16 GREENE, Q.C.:  
 17 Q. Yes. Now you've also mentioned in your  
 18 testimony this week with respect to  
 19 preferential rates, and by preferential rate,  
 20 I mean a customer - a rural customer who  
 21 receives a lower rate than another customer  
 22 receiving the same service in the rural area.  
 23 Is there any customer in the island  
 24 interconnected system who receives a  
 25 preferential rate?

Page 116

1 MR. FAGAN:  
 2 A. I believe it's the Burgeo School and library.  
 3 GREENE, Q.C.:  
 4 Q. And that is the only customer in the  
 5 interconnected system?  
 6 MR. FAGAN:  
 7 A. I think so.  
 8 GREENE, Q.C.:  
 9 Q. And if we go to PUB -  
 10 MR. FAGAN:  
 11 A. Sorry, I think that's in the rate schedule,  
 12 actually.  
 13 (12:15 p.m.)  
 14 GREENE, Q.C.:  
 15 Q. So if you go to PUB-NLH-310.  
 16 MS. GRAY:  
 17 Q. Revision 1, Ms. Greene?  
 18 GREENE, Q.C.:  
 19 Q. PUB-NLH-310, Attachment 1. Oh, which  
 20 revision? This one, Revision 1. So these are  
 21 the - if you go back for a moment, Mr. Fagan,  
 22 I should let you see the question.  
 23 MR. FAGAN:  
 24 A. Okay.  
 25 GREENE, Q.C.:

Page 117

1 Q. This question was to list the preferential  
 2 rates and how they differ from the standard.  
 3 So the Burgeo School and library is the only  
 4 school on the island interconnected system  
 5 that receives this rate, does it? It would  
 6 appear from this answer.  
 7 MR. FAGAN:  
 8 A. Yes.  
 9 GREENE, Q.C.:  
 10 Q. Is Hydro aware of any rationale why it would  
 11 receive that rate?  
 12 MR. FAGAN:  
 13 A. Hydro had proposed to phase this out - I  
 14 thought it was the 2006 GRA. They definitely  
 15 proposed it at the prior one, which was - I  
 16 think the application, the order was PU-7-  
 17 2002/2003, so Hydro has tried to eliminate  
 18 this rate in the past. It was rejected, I  
 19 believe. I was pretty sure it was government  
 20 direction with regard to maintaining the rate.  
 21 GREENE, Q.C.:  
 22 Q. Subject to check, would you agree that the  
 23 proposal to phase out preferential rates was  
 24 by Hydro in the 2001 hearing as a result of a  
 25 direction from the Board?

Page 118

1 MR. FAGAN:  
 2 A. I think you're correct.  
 3 GREENE, Q.C.:  
 4 Q. And then again subject to check, that after  
 5 that direction, government issued an Order in  
 6 Council to confirm the continuance of the  
 7 preferential rates, and I can take you through  
 8 that if you -  
 9 MR. FAGAN:  
 10 A. No, you're right.  
 11 GREENE, Q.C.:  
 12 Q. Okay. Just again it's for clarity for the  
 13 record, so if we move on then from the island  
 14 interconnected system -  
 15 MR. FAGAN:  
 16 A. Sorry, I mentioned in my evidence that Hydro  
 17 had proposed it, but I probably wasn't clear  
 18 whether it was a direction of the Board or  
 19 not. I wasn't sure it was at the time.  
 20 GREENE, Q.C.:  
 21 Q. So if we move now from the island  
 22 interconnected system to the isolated systems,  
 23 and again we don't need to review the policies  
 24 because you did that with Ms. Dawson this  
 25 morning, and while we have this on the screen,

Page 119

1 we may as well talk about this. Within the  
 2 isolated systems there are certain customers  
 3 who get a rate, a preferential rate, in the  
 4 sense that they pay less than another  
 5 equivalent customer with the same energy  
 6 characteristics and demand. These are  
 7 churches, schools, community halls, and if you  
 8 scroll down, fish plants, is that correct?  
 9 MR. FAGAN:  
 10 A. Yes, the churches, schools, and community  
 11 halls are on the domestic diesel rate rather  
 12 than on the general service diesel rate, and  
 13 the fish plants, they're on the island  
 14 interconnected rates applicable to their load  
 15 rather than the diesel rates.  
 16 GREENE, Q.C.:  
 17 Q. Okay, so we have a number of customers who  
 18 from a fairness perspective are getting a  
 19 lower rate than other customers in the same  
 20 area receiving the same service, is that  
 21 correct?  
 22 MR. FAGAN:  
 23 A. Well, I hesitate when you say the "same  
 24 customers" because if there's another fish  
 25 plant in the same area, the fish plant would

Page 120

1 be getting the same rate.  
 2 GREENE, Q.C.:  
 3 Q. Another non-fish plant, but with the same type  
 4 of demand and energy usage?  
 5 MR. FAGAN:  
 6 A. You could have a customer with the same demand  
 7 level in the same system paying a different  
 8 rate.  
 9 GREENE, Q.C.:  
 10 Q. So could we go now to PUB-NLH-079, Revision 1,  
 11 and when you look at the question, it does  
 12 refer you to a previous question, and again  
 13 subject to check, if you'll accept that the  
 14 question dealt with the preferential rates and  
 15 this question was designed to show the cost of  
 16 these additional preferential rates in rural  
 17 areas, so if we could go to page 2, and what  
 18 is the cost in the 2015 forecast for these  
 19 preferential rates?  
 20 MR. FAGAN:  
 21 A. It's approximately a million dollars.  
 22 GREENE, Q.C.:  
 23 Q. Okay. Now if we could go back, please, to NP-  
 24 NLH-035, Revision 2, the island isolated  
 25 system there is forecast to pay a revenue cost

Page 121

1 ratio of just .16 in the test year, is that  
 2 correct?  
 3 MR. FAGAN:  
 4 A. Yes, that's correct.  
 5 GREENE, Q.C.:  
 6 Q. And would you agree that the policy with  
 7 respect to how rates are charged has had an  
 8 impact on the size and magnitude of the rural  
 9 deficit?  
 10 MR. FAGAN:  
 11 A. Yes.  
 12 GREENE, Q.C.:  
 13 Q. We've already heard some evidence from Mr.  
 14 Henderson and Mr. Martin with respect to  
 15 whether the magnitude and the underlying  
 16 policies related to the rural deficit has been  
 17 an issue for Hydro. To your knowledge, have  
 18 you been involved in discussions internally or  
 19 externally with respect to the growing size of  
 20 the rural deficit, and as to whether the  
 21 underlying policies continue to be  
 22 appropriate?  
 23 MR. FAGAN:  
 24 A. Just give me a second to think and recall.  
 25 GREENE, Q.C.:

Page 122

1 Q. The last order -  
 2 MR. FAGAN:  
 3 A. We've had internal discussions on L'Anse Au  
 4 Loup because that particular one was approved  
 5 by the Board with respect to the use of the  
 6 island interconnected rates for L'Anse Au  
 7 Loup. The other ones - the other rate  
 8 policies have been directive from government,  
 9 so Hydro has been - we've been just complying  
 10 with the government policy, but there's been  
 11 some internal discussion on whether the  
 12 practices for L'Anse Au Loup should be  
 13 changed.  
 14 GREENE, Q.C.:  
 15 Q. And that was at an internal level, was it?  
 16 MR. FAGAN:  
 17 A. Yes. There's been some RFIs for it as well.  
 18 GREENE, Q.C.:  
 19 Q. Yes, and in the interest of time, I won't take  
 20 you there, but have there been any  
 21 consideration that you have been involved in  
 22 as to whether the matter of this has been  
 23 brought to the attention of government, the  
 24 impact of these policies since they last  
 25 reviewed them in 2003 when the Order in

Page 123

1 Council was issued, which is on the record?  
 2 Have there been any discussion you've been  
 3 involved in as to whether this should be  
 4 brought to the attention of government, given  
 5 the magnitude of the deficit?  
 6 MR. FAGAN:  
 7 A. The government is aware of the magnitude of  
 8 the deficit. I've been involved and we talked  
 9 about the dollars because one of the - after  
 10 we filed our application and we informed  
 11 government on the different proposals, and we  
 12 discussed the sharing of the rural deficit  
 13 between Newfoundland Power's customers and  
 14 Labrador interconnected customers, so the  
 15 dollars were discussed, so they're aware of  
 16 the dollars. So the magnitude of the impact  
 17 on customers, they're aware of. There's been  
 18 no indication that there's any change with  
 19 regard to the policy on rates, nothing that  
 20 I've seen.  
 21 GREENE, Q.C.:  
 22 Q. Can we go to PUB-NLH-339, please, Attachment  
 23 1. If we could go back to the question first,  
 24 please. So this referred to a discussion  
 25 paper that Hydro filed in response to a

Page 124

1 previous Board direction, pointing out all  
 2 policy implications for government with  
 3 respect to the rural deficit. Has Hydro done  
 4 anything, to your knowledge, since this was  
 5 done in 2003 in this analysis way to provide  
 6 information on the size, magnitude, and  
 7 implications of the policies for the deficit?  
 8 MR. FAGAN:  
 9 A. To my understanding, there's been nothing  
 10 similar to this done since.  
 11 GREENE, Q.C.:  
 12 Q. And the question also asked Hydro to update  
 13 the information provided in the paper on the  
 14 practices for subsidization in other  
 15 jurisdictions, if you want to take a moment to  
 16 read the question. Hydro's response was that  
 17 it was unable to update that information.  
 18 MR. FAGAN:  
 19 A. Yes, a lot of the jurisdictions don't keep the  
 20 details on that as much as are done here.  
 21 GREENE, Q.C.:  
 22 Q. So there's no new evidence on the record today  
 23 with respect to the subsidization of rural  
 24 rates provided in Newfoundland with respect to  
 25 other jurisdictions, is there?

Page 125

1 MR. FAGAN:  
 2 A. I don't think there's been any update on the  
 3 numbers, no.  
 4 GREENE, Q.C.:  
 5 Q. When you were giving evidence, you referred to  
 6 the island interconnected system in response  
 7 to a number of questions from Mr. Johnson that  
 8 the island interconnected system, which is 40  
 9 percent of the deficit, within that the  
 10 subsidization is similar between urban and  
 11 rural as would occur within the Newfoundland  
 12 Power system. Do you recall that?  
 13 MR. FAGAN:  
 14 A. It could be. It depended how you broke out  
 15 the pieces, okay.  
 16 GREENE, Q.C.:  
 17 Q. And I was going to ask you that. Have you  
 18 done or seen any analysis that's done that  
 19 would demonstrate the size of the  
 20 subsidization between urban and rural that  
 21 exists within Newfoundland Power?  
 22 MR. FAGAN:  
 23 A. Certainly not anything recent, no.  
 24 GREENE, Q.C.:  
 25 Q. Okay.

Page 126

1 MR. FAGAN:  
 2 A. I thought there may have been some questions  
 3 on that of Newfoundland Power back mid 90s,  
 4 something like that, but I don't think the  
 5 information was provided.  
 6 GREENE, Q.C.:  
 7 Q. Correct me if I'm wrong, I understood from  
 8 your answer to some of the questions that you,  
 9 yourself, weren't fussed about the size of the  
 10 deficit with respect to the island  
 11 interconnected system, in particular, because  
 12 it's 40 percent of the rural deficit, and is  
 13 very similar to Newfoundland Power, and you  
 14 get that cross subsidization between urban to  
 15 rural in most systems, anyway, is that  
 16 correct?  
 17 MR. FAGAN:  
 18 A. I don't think I can really comment on the size  
 19 of the deficit with regard to -  
 20 GREENE, Q.C.:  
 21 Q. Or the fact that it exists?  
 22 MR. FAGAN:  
 23 A. The fact that it exists, it's certainly  
 24 understandable, the fact that you've got rural  
 25 areas being identified separately within a

Page 127

1 cost of service study versus another system  
 2 which has a combination of rural and urban.  
 3 GREENE, Q.C.:  
 4 Q. Okay.  
 5 MR. FAGAN:  
 6 A. So if you had broke out rural from urban with  
 7 respect to Newfoundland Power, you would  
 8 create a rural deficit within Newfoundland  
 9 Power system.  
 10 GREENE, Q.C.:  
 11 Q. And the 40 percent deficit number is the fact  
 12 that the island interconnected system  
 13 contributes 40 percent of the overall rural  
 14 deficit?  
 15 MR. FAGAN:  
 16 A. Yes. Now the context of discussion was  
 17 somewhat along the lines of identifying it  
 18 with respect to as a line item on the bill,  
 19 that if I'm in Deer Lake and I'm driving to  
 20 Rocky Harbour, and so people are going to get  
 21 a note on the bill saying, oh, this is a  
 22 subsidy you're paying and lists off the towns,  
 23 oh, Rocky Harbour is one of the towns you're  
 24 subsidizing, so you're putting two towns that  
 25 may be quite close to one another separating

Page 128

1 as one being subsidized and another - or you  
 2 could have a smaller town in a Newfoundland  
 3 Power service area that may be closer to Baie  
 4 Verte and intuitively (phonetic) think it may  
 5 be cheaper to provide service to the larger  
 6 town, so it was in that context I was  
 7 discussing it.  
 8 GREENE, Q.C.:  
 9 Q. Now also the issue of subsidization from urban  
 10 to rural and whether it was a common practice  
 11 was raised previously as well. Can I go back  
 12 to page 3 to the attachment. If you go down  
 13 to the quote - if you could scroll down, Ms.  
 14 Gray, please. This is the easiest way to find  
 15 it, there's discussion in the Board Report,  
 16 and I just want to refer you to the quote,  
 17 "While cross subsidization among rate payers  
 18 is a common practice, witnesses noted that the  
 19 magnitude of the subsidy is of fundamental  
 20 importance. The Board acknowledges the burden  
 21 the rural deficit places on subsidizing rate  
 22 payers and is concerned with the potential for  
 23 increasing levels of subsidization". So at  
 24 that time while there was evidence from  
 25 experts with respect to what you've just

Page 129

1 referred to for Newfoundland Power, that that  
 2 might be a common practice within the same  
 3 system, and you might even view the island  
 4 interconnected system as very similar to  
 5 Newfoundland Power's, what was different here  
 6 in Newfoundland is the magnitude of the  
 7 deficit and the magnitude that customers are  
 8 expected to pay towards it. Do you have any  
 9 information that would cause us to view that  
 10 differently than what the Board found back in  
 11 that hearing?  
 12 (12:30 p.m.)  
 13 MR. FAGAN:  
 14 A. Well, there is a response, I believe, NLH-NP-  
 15 019, I think is the right one to show the  
 16 information. So this was a question that  
 17 Hydro asked Newfoundland Power showing the  
 18 rural deficit allocated to Newfoundland Power  
 19 as a percentage of total revenue requirement.  
 20 So if we go back to the 2002 test year, the  
 21 deficit allocated to Newfoundland Power, I  
 22 don't see the exact numbers there, but it  
 23 looks like it's in the mid teens in the 2002  
 24 test year versus if you look at the 2007 test  
 25 year and the 2015 test year, it's more along

Page 130

1 the lines of slightly more than 10 percent. So  
 2 from a relative perspective, the deficit as a  
 3 proportion of the total revenue requirement  
 4 for customers, it looks like it's reduced.  
 5 Obviously, the size in dollars has grown, but  
 6 all costs have grown because fuel costs have  
 7 increased and has contributed to it, but from  
 8 a customer bill impact on a percentage basis,  
 9 I don't see the percentage increasing.  
 10 GREENE, Q.C.:  
 11 Q. And if you like, we can go back to the  
 12 previous attachment. The question was at the  
 13 time this was reviewed with expert evidence  
 14 about how the rural deficit should be treated  
 15 and the impact of the subsidy, the Board found  
 16 that, "Even though it was a common practice in  
 17 other jurisdictions, the size of the deficit  
 18 in Newfoundland relative to other  
 19 jurisdictions was a fundamental difference"  
 20 and was of concern to them, and my question to  
 21 you was that from 2002 when this quote was  
 22 made, is there any evidence on the record that  
 23 would cause the Board to change their opinion  
 24 about why the rural deficit is very  
 25 significant here versus other jurisdictions?

Page 131

1 MR. FAGAN:  
 2 A. Well, with respect to the size of the deficit,  
 3 though, because I believe in that document it  
 4 would show for Hydro Quebec -  
 5 GREENE, Q.C.:  
 6 Q. Yes, Hydro Quebec was higher, yes.  
 7 MR. FAGAN:  
 8 A. Was higher.  
 9 GREENE, Q.C.:  
 10 Q. Yes, that was the only jurisdiction.  
 11 MR. FAGAN:  
 12 A. But because they had a much larger base, the  
 13 percent impact was lower.  
 14 GREENE, Q.C.:  
 15 Q. Right, so the impact per customer is lower  
 16 because they had a higher base?  
 17 MR. FAGAN:  
 18 A. Right, yes.  
 19 GREENE, Q.C.:  
 20 Q. Right, okay.  
 21 MR. FAGAN:  
 22 A. So just with regard to the dollars, I just  
 23 wanted to be clear on that.  
 24 GREENE, Q.C.:  
 25 Q. So since then -

Page 132

1 MR. FAGAN:  
 2 A. No, there's no - I would say, no, there's not.  
 3 GREENE, Q.C.:  
 4 Q. All right.  
 5 MR. FAGAN:  
 6 A. In answer to your question.  
 7 GREENE, Q.C.:  
 8 Q. You also mentioned in discussing, and I can  
 9 bring you to the transcript, but for time,  
 10 that customers were aware that their rates  
 11 were not uniform and that they were paying for  
 12 other people's cost.  
 13 MR. FAGAN:  
 14 A. I think I indicated that most people, say, who  
 15 are billed by Newfoundland Power probably  
 16 recognize that the cost of serving people in  
 17 urban areas versus rural areas differ, but  
 18 most people, I think, are aware that they pay  
 19 the same rates. So they probably recognize  
 20 that rates reflect average cost. I think that  
 21 would be my view.  
 22 GREENE, Q.C.:  
 23 Q. So you wouldn't be aware of any research that  
 24 has been done, or are you, that would show how  
 25 much a customer is willing to pay for the cost

Page 133

1 of service of another customer from another  
 2 system?  
 3 MR. FAGAN:  
 4 A. No.  
 5 GREENE, Q.C.:  
 6 Q. You also mentioned that certain customers are  
 7 very much well aware of the fact they receive  
 8 a subsidy, but that's not important to them  
 9 because it's use of their natural resource.  
 10 Do you recall that discussion?  
 11 MR. FAGAN:  
 12 A. I don't know if I quite said it wasn't  
 13 important to them, but when we had the rural  
 14 rate inquiry and we travelled around the  
 15 island, customers were aware that the rates  
 16 they were paying were less than the cost that  
 17 was incurred to serve them, but most presented  
 18 that position with regard to how they  
 19 contribute to the provincial economy and that  
 20 should be given consideration.  
 21 GREENE, Q.C.:  
 22 Q. But to your memory, was there any discussion  
 23 of their awareness of the magnitude of the  
 24 subsidy they were receiving?  
 25 MR. FAGAN:

Page 134

1 A. There was information presented during the  
 2 proceedings so they were aware, but obviously  
 3 I don't think all customers are aware.  
 4 GREENE, Q.C.:  
 5 Q. And are you aware that when Bay d'Espoir, the  
 6 rates were designed, people who were living  
 7 next to the Bay d'Espoir plant thought that  
 8 they should receive a lower rate because it  
 9 was their resource that was being developed?  
 10 MR. FAGAN:  
 11 A. Yes, I do believe there was actually customers  
 12 from Bay d'Espoir wrote letters to the Board  
 13 with respect to that position, and I think  
 14 Newfoundland Power has had that position put  
 15 to them as well with regard to customers  
 16 proximity to the resource.  
 17 GREENE, Q.C.:  
 18 Q. And normally those sorts of things don't enter  
 19 into rate design, do they?  
 20 MR. FAGAN:  
 21 A. No, normally they don't, no.  
 22 GREENE, Q.C.:  
 23 Q. Okay. Moving to the last topic, specifically  
 24 assigned charges, and I just really do want to  
 25 clarify Hydro's position on this, I know this

Page 135

1 issue is under advisement by Hydro, but if we  
 2 could go to the transcript of yesterday,  
 3 October 6th at page 59, and here at lines 12  
 4 to 14 we see this is in response to a question  
 5 to you from Mr. Johnson, Mr. Fagan, you'll  
 6 recognize that here you say, "So what Mr. Dean  
 7 has presented seems like a reasonable  
 8 approach", and then you go on to describe what  
 9 the approach is. You describe his approach as  
 10 a reasonable one. Now if we could go to the  
 11 transcript, same day, page 101, I don't know  
 12 if we need to start at 15, but if you go to  
 13 line 20, here we see, "So if the Board  
 14 believes it's reasonable to restate the  
 15 original cost of service for purposes of  
 16 determining specifically assigned charges  
 17 based on real dollars, and calculate the  
 18 specifically assigned charge, we'll make  
 19 changes to comply with the order of the  
 20 Board". So I understood from those comments  
 21 that it was a reasonable approach and the  
 22 Board could - you didn't need to, and I can  
 23 take you to another quote, but I don't think  
 24 it's necessary, you didn't need to make a  
 25 specific application because it was all before

Page 136

1 the Board and they could decide if it was  
 2 reasonable?  
 3 MR. FAGAN:  
 4 A. Well, I mentioned this morning to make it  
 5 clear what the results would be for all  
 6 parties, that we'll file an updated cost of  
 7 service so it's clear to all parties.  
 8 GREENE, Q.C.:  
 9 Q. I'm going to come to that, and I guess the  
 10 reason for doing this is to understand from  
 11 the discussion yesterday what Hydro's position  
 12 is. If I looked at those two, because I guess  
 13 we were - I was somewhat perplexed as well  
 14 yesterday and even am today as to Hydro's  
 15 position on this. So you look at that as a  
 16 reasonable approach, but now if we could go to  
 17 the transcript from yesterday at page 58, line  
 18 23. We certainly understood, and I wanted for  
 19 you to help me with understanding your  
 20 comments yesterday.  
 21 MR. FAGAN:  
 22 A. Sure.  
 23 GREENE, Q.C.:  
 24 Q. So we understood from what we just looked at  
 25 that you certainly thought that Mr. Dean's or

Page 137

1 Vale's approach was a reasonable one and that  
 2 it's something the Board should consider, and  
 3 then we come back to your comments about  
 4 Hydro's proposal. So here again if you'd like  
 5 to take the time, but beginning at line 12,  
 6 you're describing how it was somewhat of a new  
 7 issue that caused you to look at it?  
 8 MR. FAGAN:  
 9 A. Yes, I don't recall the specific issue being  
 10 dealt with at previous Hydro hearings with  
 11 regard to a specifically assigned charge on O  
 12 & M.  
 13 GREENE, Q.C.:  
 14 Q. And if you scroll down to line 20, you say,  
 15 "So it wasn't - I think it was probably not  
 16 reviewed closely enough with regard to the  
 17 components and whether it was a reasonable  
 18 number upfront, but I think Hydro recognizes  
 19 that it's probably not a fair approach with  
 20 respect to specifically assigned charges".  
 21 Then you go on again to say that you haven't  
 22 amended the application, but it has merit and  
 23 the Board can consider it.  
 24 MR. FAGAN:  
 25 A. Yes.

Page 138

1 GREENE, Q.C.:  
 2 Q. So here you're recognizing that your approach  
 3 is not a fair approach, and now if you could  
 4 come to page 79, line 8, you say, "All I'm  
 5 saying is that the current methodology that we  
 6 have got presented to the Board in the  
 7 application appears to have a flaw based on  
 8 what's been analyzed", and then you go on to  
 9 talk about the CIAC policy. So here you're  
 10 saying that; one, your approach was unfair,  
 11 and here it has a flaw, and then this morning  
 12 in cross-examination by Mr. O'Reilly, and  
 13 again I don't have the transcript, but my  
 14 understanding of what you said was you agreed  
 15 with Mr. O'Reilly that if you followed your  
 16 methodology, it would result in overcharging  
 17 to Vale inappropriate charges for between now  
 18 and it may be formally changed. Do you recall  
 19 that this morning?  
 20 MR. FAGAN:  
 21 A. Yes, I believe I recall saying that there  
 22 would be overcharging O&M costs until rates  
 23 will be reset going forward.  
 24 GREENE, Q.C.:  
 25 Q. So, I guess the dilemma is, in listening to

Page 139

1 what you said, and I know how you're taking it  
 2 under advisement, but we have evidence from  
 3 the manager of rates that the proposal in your  
 4 application, which is the only one before the  
 5 Board, that you believe your approach is  
 6 flawed and it is unfair and will result in  
 7 overcharging, is that your position?  
 8 MR. FAGAN:  
 9 A. Yes. Now I'd just like to clarify one item.  
 10 When Hydro filed its application and had a  
 11 number of proposals, we've had settlement  
 12 discussions with the parties and we changed--  
 13 some of the proposals have changed subject to  
 14 a settlement agreement, so no, we haven't  
 15 filed any amended application to reflect that,  
 16 so it's a negotiation -  
 17 GREENE, Q.C.:  
 18 Q. But you have filed a settlement agreement to  
 19 reflect the agreement.  
 20 MR. FAGAN:  
 21 A. Oh yes, okay, true, we have. We have filed a  
 22 settlement agreement, but there would still be  
 23 no application to change from what was  
 24 originally filed, so I guess it's subject to  
 25 counsel whether a revised application is

Page 140

1 required. But I think there's been a number  
 2 of issues historically before the Board that  
 3 when a utility files an application and all  
 4 the evidence is before it, that we can change  
 5 our mind with respect to what's a reasonable  
 6 thing to do based on the evidence presented.  
 7 So in this particular circumstance, that's  
 8 what we think is appropriate. Now to be  
 9 clear, though, what we will do is make sure we  
 10 file an updated cost of service so all parties  
 11 can see the impacts of this change on all  
 12 charges, if it was approved, so it's quite  
 13 clear when the Board considers it.  
 14 GREENE, Q.C.:  
 15 Q. And when you gave evidence earlier this  
 16 morning, you indicated that that would be  
 17 filed in time for final submission, now that  
 18 will be after cross-examination where the  
 19 parties have the opportunity to determine and  
 20 review the implications for the changes, is  
 21 that correct?  
 22 MR. FAGAN:  
 23 A. Well Vale 83, it shows the impacts of--if we  
 24 could bring that up for a moment, please?  
 25 GREENE, Q.C.:

Page 141

1 Q. I understood you were asking your staff to--  
 2 want a revised cost of service study to show  
 3 the implications.  
 4 MR. FAGAN:  
 5 A. Yes.  
 6 GREENE, Q.C.:  
 7 Q. And that that will be filed.  
 8 MR. FAGAN:  
 9 A. I was just going to--the impact, the amount of  
 10 change that we're dealing with here is a  
 11 \$600,000 shift from specifically assigned to  
 12 common, so when you run that through, it's  
 13 likely that this will be about a \$500,000  
 14 impact approximately, slightly less, probably  
 15 on Newfoundland Power's. It's not a major  
 16 shift in the cost of service from what's  
 17 currently presented, so it's not as earth  
 18 shattering with respect to it, so the impacts  
 19 can be fairly well anticipated without having  
 20 a full cost of service study actually filed,  
 21 but we'll file it just so all parties can see  
 22 what the numbers are.  
 23 GREENE, Q.C.:  
 24 Q. And of the \$600,000 that will shift back and  
 25 be specifically assigned to common, you just

Page 142

1 indicated approximately 500,000 of that would  
 2 be your very rough estimate of what would be  
 3 passed to Newfoundland Power as a result?  
 4 MR. FAGAN:  
 5 A. Of the 600,000, about 60,000 is already  
 6 Newfoundland Power, so it would be a reduction  
 7 of that, so it would be 540 and probably about  
 8 90 percent of the 540, so you might be talking  
 9 about 480,000, but that's an approximate  
 10 estimate.  
 11 GREENE, Q.C.:  
 12 Q. Okay. I just didn't hear that number that you  
 13 said.  
 14 MR. FAGAN:  
 15 A. That's okay.  
 16 GREENE, Q.C.:  
 17 Q. And how long does it take to run the revised  
 18 cost of service?  
 19 MR. FAGAN:  
 20 A. For a specific item like this, I'm sure we  
 21 could probably provide it within a few days,  
 22 probably early, maybe Monday or Tuesday,  
 23 something like that.  
 24 GREENE, Q.C.:  
 25 Q. Now you've mentioned that it's not unusual for

Page 143

1 a utility to change their position when they  
 2 hear the evidence, is there anything else  
 3 Hydro is contemplating changing their  
 4 proposals on at this point in time?  
 5 MR. FAGAN:  
 6 A. No.  
 7 GREENE, Q.C.:  
 8 Q. Okay, those are all my questions, thank you.  
 9 VICE-CHAIR WHALEN:  
 10 Q. I have no questions, thank you, Mr. Fagan.  
 11 CHAIRMAN:  
 12 Q. Okay, I think Mr. Fagan, we--no, re-direct,  
 13 I'm sorry, you guys got anything?  
 14 MR. CASS:  
 15 Q. No, we don't, Mr. Chair, thank you.  
 16 CHAIRMAN:  
 17 Q. Okay, so I think we're going to take a few  
 18 minutes break and then we're going to shift  
 19 gears, is that correct?  
 20 MS. GLYNN:  
 21 Q. Absolutely.  
 22 CHAIRMAN:  
 23 Q. Okay.  
 24 (RECESS 12:45 P.M.)  
 25 (RECONVENED 12:55 P.M.)

Page 144

1 CHAIRMAN:  
 2 Q. So we're back with Mr. Henderson and his group  
 3 and I understand, gentlemen, that you're all  
 4 men of honour, unlike the Sopranos so you  
 5 don't have to be sworn again. And we're back  
 6 to Mr. Coxworthy, I believe, sir, in the  
 7 order.  
 8 MR. COXWORTHY:  
 9 Q. That's correct, Mr. Chair, thank you. Welcome  
 10 back, Mr. Moore, Mr. Henderson, Mr. Gardiner.  
 11 I'd like to start with some undertakings that  
 12 were requested and in one case answered.  
 13 Undertaking No. 22 that was put to the HR  
 14 panel and undertaking No. 25, also put to the  
 15 HR panel, and I understand the same response  
 16 applies to both, so if that could be brought  
 17 up. And as I understand it, the undertaking  
 18 22 was to ask if there is any template  
 19 available to give guidance to Nalcor employees  
 20 as to when they should be charging their time  
 21 to Hydro, when it's appropriate to do so, or  
 22 whether there was any under development. So  
 23 my question is, am I to take it from this  
 24 particular response that there is nothing  
 25 further under development, Mr. Henderson, to

Page 145

1 your knowledge?  
 2 MR. HENDERSON:  
 3 A. Not to my knowledge.  
 4 COXWORTHY, Q.C.:  
 5 Q. The response to the undertaking sends us to  
 6 Exhibit 8 of Volume 2 of the Hydro  
 7 Application, so if we could turn to Exhibit 8,  
 8 pages 5 and 6? And I think at the bottom of  
 9 page 5 if where we can start, tied to  
 10 corporate costs and as I understand it, the  
 11 response to the undertakings 22 and 25, direct  
 12 us to this section of Exhibit 8. So corporate  
 13 costs incurred within the various lines of  
 14 business are charged to the appropriate line  
 15 of business as below, and then there's a  
 16 section there for 3.2.1 "Employee Labour  
 17 Costs" and as I understand the undertaking  
 18 response, that is the whole of the direction  
 19 or guidance that's provided to Nalcor  
 20 employees with respect to when they should be  
 21 charging in or when it's appropriate to charge  
 22 in their time directly to Hydro, is that your  
 23 understanding as well, Mr. Henderson?  
 24 MR. HENDERSON:  
 25 A. Yes, it is.

Page 146

1 COXWORTHY, Q.C.:  
 2 Q. Are you satisfied that that's sufficient  
 3 directly to Nalcor employees for the time  
 4 they're charging in to your organization?  
 5 MR. HENDERSON:  
 6 A. That's pretty consistent with the way we've  
 7 been doing it over they years. For any work  
 8 that's being done on a specific task that you  
 9 keep track of it in your daytimer or whatever  
 10 mechanism that you have to keep track of where  
 11 it is and charge it to the appropriate work  
 12 orders.  
 13 COXWORTHY, Q.C.:  
 14 Q. Yes, and Mr. Roberts gave us some evidence  
 15 about the work orders and how that helps to  
 16 orient him and I assume other Nalcor employees  
 17 as to how they should allocate their time.  
 18 I'm going to say at the outset I'm certainly  
 19 not going to be asking for the work orders or  
 20 undertaking for any work orders, but would you  
 21 agree that to have transparency as to the time  
 22 that's allocated that someone would have to  
 23 look at the work orders to understand whether  
 24 in fact this is time properly allocated to  
 25 Hydro?

Page 147

1 MR. HENDERSON:  
 2 A. Well that would be reviewed by their  
 3 supervisors to ensure that that's correct and  
 4 that's where the check is with respect to the  
 5 supervisor.  
 6 (1:00 p.m.)  
 7 COXWORTHY, Q.C.:  
 8 Q. And I'll return to that, but fair enough, the  
 9 other undertaking then, and I believe it is  
 10 still outstanding and it is not an  
 11 understanding that was requested by myself,  
 12 I'll clarify, it was requested by the Consumer  
 13 Advocate. It was requested two weeks ago,  
 14 approximately, September 24th, again of the HR  
 15 panel and undertaking 37 and perhaps it would  
 16 help to turn to the text that's referred to  
 17 here, and again, that is the September 24th  
 18 transcript, page 93, starting at line 2. So  
 19 the Consumer Advocate is raising a question  
 20 about issues of conflict and transparency  
 21 within the Hydro matrix organization scheme,  
 22 the island industrial customers certainly have  
 23 questions about that as well and what I would  
 24 ask and perhaps this is appropriate for  
 25 counsel to respond to, is given that this has

Page 148

1 been outstanding for two weeks and given that  
 2 I understand that the operation panel may be  
 3 up and down perhaps as soon as tomorrow, is  
 4 there any prospect of this being answered and  
 5 provided by tomorrow?  
 6 MR. YOUNG:  
 7 Q. Mr. Chairman, I can respond to that, there is  
 8 some prospect of it being available tomorrow,  
 9 I can't guarantee it, but we're hoping that we  
 10 can have it ready.  
 11 COXWORTHY, Q.C.:  
 12 Q. Thank you, Mr. Young. I'd like to move on,  
 13 Mr. Henderson, to the Exploit's Power  
 14 purchases?  
 15 MR. HENDERSON:  
 16 A. Yes.  
 17 COXWORTHY, Q.C.:  
 18 Q. And if we could turn to the September 23, 2015  
 19 transcript, page 103 and you were asked some  
 20 questions by Mr. O'Brien with respect to  
 21 deferral accounts, the deferral accounts that  
 22 Hydro is seeking and in particular I think the  
 23 relevant one here is the energy supply cost  
 24 variance deferral account, and how that  
 25 relates to Exploit's and I certainly

Page 149

1 understand and accept the appropriateness of a  
 2 deferral account with respect to hydraulic  
 3 variation, but Mr. O'Brien was asking as well  
 4 with respect to whether the deferral account  
 5 was intended to capture any increase in the  
 6 price being paid to government for that power,  
 7 which is now 4 cents a kilowatt hour, and your  
 8 response and we can go through it if you wish,  
 9 it's there before you if you want to refresh  
 10 your memory, your response was that you didn't  
 11 anticipate that a change of price would be an  
 12 issue because you're anticipating a transfer.  
 13 What I didn't understand you to answer in  
 14 terms of, and I think Mr. O'Brien attempted to  
 15 illicit a response and I will do the same, is  
 16 given that is Hydro prepared to say that it  
 17 will not include any provision of that  
 18 deferral account for an increase in price in  
 19 payment that would be paid to government for  
 20 that Exploit's power, should conditions change  
 21 are you prepared to say that Hydro is prepared  
 22 to walk away from that in an expectation that  
 23 there will be a transfer?  
 24 MR. HENDERSON:  
 25 A. Well I guess the consideration there is what's

Page 150

1 driving that change and if it's an appropriate  
 2 change with respect to the cost of that power,  
 3 then I think that would be appropriate, so you  
 4 know, at this point I would say it would be,  
 5 you'd have to consider what was the cause, but  
 6 I think given that the costs would be driven  
 7 by something to do with that asset that's  
 8 providing that service, then it would be  
 9 appropriate that that be part of the change.  
 10 COXWORTHY, Q.C.:  
 11 Q. To help me understand it, what's the driver  
 12 for 4 cents a kilowatt hour or drivers?  
 13 MR. HENDERSON:  
 14 A. Well the 4 cents was established by the  
 15 provincial government, so there's no--I don't  
 16 know in terms of being able to speak for what  
 17 the provincial government put that price, I  
 18 can't speak to that, but my point is is I  
 19 don't see that there would be any change  
 20 unless there was some driver for a cost  
 21 change.  
 22 COXWORTHY, Q.C.:  
 23 Q. And you can't illuminate for us what that  
 24 driver could be, other than government for  
 25 some reason deciding to increase that price?

Page 151

1 MR. HENDERSON:  
 2 A. Yeah, and that would be the--right now that's  
 3 the way the price is set is by the government,  
 4 so to the extent that the government sees a  
 5 driver that drives the cost up and they put  
 6 forward the costs, the charge in that regard,  
 7 then I can't dispute, I'll say, and say that  
 8 that's not right for Hydro and its customers  
 9 to pay that cost.  
 10 COXWORTHY, Q.C.:  
 11 Q. Well and I'll take you back to it, so you  
 12 can't dispute, but should the customers,  
 13 Hydro's customers bare an increase in costs  
 14 that is imposed by, well ultimately Hydro's  
 15 shareholder, Nalcor's shareholder? Is that a  
 16 cost that -  
 17 MR. HENDERSON:  
 18 A. Well I would say that it would depend on what  
 19 the direction that the provincial government  
 20 gave with respect to that cost because it is  
 21 set by the provincial government.  
 22 COXWORTHY, Q.C.:  
 23 Q. Is that an uncontrolled--deferral accounts, as  
 24 I understand it, I'll paraphrase, are intended  
 25 to protect against costs that are beyond

Page 152

1 control, a reasonable control of the utility,  
 2 is that a cost that is reasonable for the  
 3 customer to accept is beyond the control of  
 4 the utility, the utility shareholder changing  
 5 a price and without an explanation as to what  
 6 the drivers are for that?  
 7 MR. HENDERSON:  
 8 A. Well, as I said, that's not controlled by the  
 9 utility, that's controlled by the provincial  
 10 government.  
 11 COXWORTHY, Q.C.:  
 12 Q. And you think that's something that's  
 13 appropriate to be captured by a deferral  
 14 account?  
 15 MR. HENDERSON:  
 16 A. Well, I would say to you if the provincial  
 17 government is imposing a change in that cost  
 18 for good reasons, then I would assume that it  
 19 would be appropriate for those costs to be  
 20 recovered from customers.  
 21 COXWORTHY, Q.C.:  
 22 Q. And would you expect government to discuss  
 23 with you the reasons for a change in costs if  
 24 there was a change in that cost?  
 25 MR. HENDERSON:

Page 153

1 A. I would expect that they would.  
 2 COXWORTHY, Q.C.:  
 3 Q. I'd like to move on to another area, Mr.  
 4 Henderson and if we could turn to the October  
 5 6th transcript, page 23, line 7, you weren't  
 6 here for Mr. Fagan's evidence and so I will  
 7 take you through a question that was asked by  
 8 Mr. Johnson to Mr. Fagan yesterday, and it's  
 9 with relation to the load variation surplus  
 10 that accumulated prior to September 2013,  
 11 prior to government order-in-council, so Mr.  
 12 Johnson was asking Mr. Fagan questions about  
 13 that and at page 23, line 7, asked "And the  
 14 monies that did happen to build up in the load  
 15 variation account by reason of the industrial  
 16 customer load dropping off, I mean, it's  
 17 obvious but I just state the question, that  
 18 had nothing to do with industrial customers  
 19 responding to a rate, signalling a rate and  
 20 conserving or finding efficiencies?" And Mr.  
 21 Fagan said, "That's correct." And Mr. Johnson  
 22 went on to say, "It's just a shutdown that  
 23 Hydro is left in the lurch on as I understand  
 24 it, I read about it in the paper." And Mr.  
 25 Fagan says, "It was the result of the closure

Page 154

1 of the mills and a fuel savings that resulted  
 2 from it, yes." Mr. Johnson then says, "Of  
 3 which Hydro was given no advance notice?" And  
 4 continues on to page 24, Mr. Fagan says, "I  
 5 really couldn't say on that", but he thinks  
 6 that there's evidence on the record to that  
 7 effect. And it's my understanding from the  
 8 evidence that Mr. Fagan is referring to based  
 9 on my review of the transcript, is evidence  
 10 that was given by you, Mr. Henderson, earlier  
 11 in the proceeding. So if we could turn to  
 12 September 24, 2015 transcript, page 139, line  
 13 19 please? So this is Mr. Johnson again  
 14 questioning yourself, Mr. Henderson, "Did  
 15 Corner Brook Pulp and Paper apprise Hydro in  
 16 advance that it would be reducing its load to  
 17 10 percent of previous levels at a time early  
 18 enough so Hydro could avoid expenditures for  
 19 generation and transmission capital to supply  
 20 its load?" So the thrust of the question was  
 21 in relation to a different issue and not the  
 22 load variation, but nonetheless the question  
 23 of how much notice Hydro had of changes in  
 24 load was also part of the question and is sort  
 25 of the common theme there. And then your

Page 155

1 answer is, "Are you talking with regard to the  
 2 500 kilowatt hours?" And Mr. Johnson  
 3 confirms, "Yes." And your answer was, "We  
 4 would have found out at the same time as the  
 5 general public would have found out when  
 6 Corner Brook Pulp and Paper announced closure  
 7 of their paper machines." So, Mr. Henderson,  
 8 I just want to explore, through you, the state  
 9 of knowledge of Hydro with respect to load  
 10 changes in the industrial customer in this  
 11 timeframe that we're talking about prior to  
 12 September 2013 and starting from 2007. If we  
 13 could make reference to, and this is an  
 14 application, a 2009 application of Hydro that  
 15 I gave notice this morning that I would want  
 16 to put to the cross-examination--in cross-  
 17 examination to this panel and it is found on  
 18 the Board's website under Board documents and  
 19 I think we have it here before us, thank you  
 20 Ms. Gray.  
 21 MS. GLYNN:  
 22 Q. We'll enter that as Information No. 12.  
 23 COXWORTHY, Q.C.:  
 24 Q. Thank you. And if we could turn to, first of  
 25 all, the table on page 2--yes, thank you and

Page 156

1 I'll give you a moment, Mr. Henderson, to  
 2 review that. Your reference to the 500  
 3 kilowatt hours that was your understanding  
 4 that that's what Mr. Johnson was referring to  
 5 in terms of the load changes that were  
 6 occurring, can you confirm to me or correct me  
 7 if I'm wrong, that you are referring to the  
 8 load changes that are shown there for Abitibi  
 9 and for Kruger or Corner Brook Pulp and Paper,  
 10 those two large grey blocks, which I think  
 11 comes out to about 500 kilowatts?  
 12 MR. HENDERSON:  
 13 A. I'm trying to recall the full conversation  
 14 with Mr. Johnson, but we were, I think -  
 15 COXWORTHY, Q.C.:  
 16 Q. We can certainly go back to that transcript.  
 17 MR. HENDERSON:  
 18 A. It was related to energy change and the energy  
 19 change that would have come about from the  
 20 shutdown of paper machines and I clarified the  
 21 500 because I just wanted to make sure we were  
 22 talking about energy and not demand, which is  
 23 another component of the supply.  
 24 COXWORTHY, Q.C.:  
 25 Q. Absolutely.

Page 157

1 MR. HENDERSON:  
 2 A. So we were talking about energy and the amount  
 3 of energy that would have been impacted by the  
 4 change in the paper machines. Once the  
 5 customer decide they are closing paper  
 6 machines or idling them, I think may have been  
 7 the term that was used at the time, that was  
 8 when we would see at that point forward, you  
 9 know, that's when the energy shortfall would  
 10 be or change would occur.  
 11 COXWORTHY, Q.C.:  
 12 Q. So was this a--this wasn't just an energy  
 13 shortfall in terms of supplying Corner Brook  
 14 Pulp and Paper, is that right, were you also  
 15 referring in that 500 kigawatts to Abitibi?  
 16 MR. HENDERSON:  
 17 A. That's what it appears to be from this  
 18 evidence.  
 19 COXWORTHY, Q.C.:  
 20 Q. Sure, and this evidence was filed in 2009, of  
 21 course you weren't in your current position at  
 22 that time.  
 23 MR. HENDERSON:  
 24 A. That's correct.  
 25 COXWORTHY, Q.C.:

Page 158

1 Q. You were a manager of system operations.  
 2 MR. HENDERSON:  
 3 A. That's correct.  
 4 COXWORTHY, Q.C.:  
 5 Q. And you've previously given evidence that in  
 6 that position you would have been very  
 7 familiar with the operations of the industrial  
 8 customers.  
 9 MR. HENDERSON:  
 10 A. That's correct.  
 11 COXWORTHY, Q.C.:  
 12 Q. So would you have been aware in your previous  
 13 position in 2009 that this was happening?  
 14 MR. HENDERSON:  
 15 A. I would have been made aware when it was  
 16 generally made aware that the change was  
 17 occurring and that that would reduce the  
 18 amount of energy and we would have had at that  
 19 time been getting forecasts from the customer  
 20 indicating what that meant in terms of energy  
 21 consumption which our economic analysis group  
 22 would be getting from the customer to indicate  
 23 what that means, and of course, we would then  
 24 use that information to change the way in  
 25 which we operate the system because we would

Page 159

1 have to meet less energy than we had  
 2 previously thought we would.  
 3 COXWORTHY, Q.C.:  
 4 Q. And is there a set time of year or was there  
 5 at the time in 2008, 2009 when the industrial  
 6 customers would provide their load forecast  
 7 for the following year?  
 8 MR. HENDERSON:  
 9 A. The normal process with the customers is that  
 10 they would provide, I think it's twice a year  
 11 that we go out to the customers to get their  
 12 forecast of consumption and so that would give  
 13 us an indication of what they were planning to  
 14 do.  
 15 COXWORTHY, Q.C.:  
 16 Q. And were those two times a year, were they  
 17 different for different industrial customers  
 18 or the same time--again, back at that time to  
 19 the best of your recollection?  
 20 MR. HENDERSON:  
 21 A. I'll say generally speaking there would be an  
 22 update in the Spring, another one in the Fall.  
 23 COXWORTHY, Q.C.:  
 24 Q. Thank you. If we could move on, then, still  
 25 in the same application to paragraph 12 of the

Page 160

1 application itself and the application recites  
 2 various events, occurrences that have occurred  
 3 prior to its filing in June of 2009 and one of  
 4 the facts that it refers to is that on  
 5 December 20th, 2007, Hydro filed an  
 6 application to the Board for an order  
 7 continuing on an interim basis, the rates that  
 8 in effect for the island industrial customers  
 9 on the basis that normal operation of the RSP  
 10 could cause significant rate volatility for  
 11 the island industrial customers. Would you  
 12 agree with me that that was due to Hydro being  
 13 aware at that time of load changes or imminent  
 14 load changes in the industrial customer group?  
 15 (1:15 p.m.)  
 16 MR. HENDERSON:  
 17 A. I can't recall what we knew specifically at  
 18 that time, but I do know that the paper  
 19 industry in general was having very  
 20 challenging times. We had recently  
 21 experienced the closure of the Stephenville  
 22 paper mill and through regular contact with  
 23 the paper mills, we knew that there was always  
 24 a challenge with respect to costs and amount  
 25 of production that they were going to be

Page 161

1 expected to have because of changing paper  
 2 markets, so there was a general knowledge of  
 3 that and certainly with the Stephenville  
 4 shutdown it had a dramatic effect, so all of  
 5 those things would have been part of our  
 6 experience and recognizing that that potential  
 7 could occur in the future, which would have a  
 8 dramatic effect on the amount of energy that  
 9 the industrial customer group were using.  
 10 COXWORTHY, Q.C.:  
 11 Q. And if I could then take you forward to  
 12 paragraph 14, so the order seeking to make  
 13 interim, rates interim due to the volatility,  
 14 the industrial load was sought in December  
 15 2007, paragraph 13 indicates it was granted by  
 16 the Board in January 2008, and it was about a  
 17 year later, a little bit less than a year  
 18 later that Abitibi announced it would be  
 19 closing its Grand Falls paper mill, effective  
 20 March 31st, 2009. So was Hydro--you just  
 21 indicated Hydro was aware that due to markets,  
 22 the market conditions out there, international  
 23 markets, that there was a risk that these  
 24 particular industrial customers and the pulp  
 25 and paper business would have to scale back

Page 162

1 their operations?  
 2 MR. HENDERSON:  
 3 A. That's generally, yes.  
 4 COXWORTHY, Q.C.:  
 5 Q. And Hydro would have understood that that  
 6 would have meant obviously a decrease in the  
 7 load profile of the industrial customer group?  
 8 MR. HENDERSON:  
 9 A. If it occurred, yes.  
 10 COXWORTHY, Q.C.:  
 11 Q. If we could move on then to paragraph 19 of  
 12 the same application please? And paragraph 19  
 13 refers to on January 7th, 2009, the owner of  
 14 Corner Brook Pulp and Paper Mill announced  
 15 that it would be facing cutbacks to operations  
 16 in three of its paper mills, including the  
 17 Corner Brook mill. The level of production  
 18 cutbacks at the Corner Brook mill, impacts  
 19 that it will have on energy consumption, were  
 20 not known at that time. Was there a similar  
 21 understanding as there was with Abitibi at  
 22 this time, we're talking about a year later, a  
 23 year later from when you first would have,  
 24 well perhaps even a bit longer than that, when  
 25 you first would have understood that Abitibi

Page 163

1 was facing market pressures, was there an  
 2 understanding in January of 2009 by Hydro that  
 3 there could be cutbacks in operations at  
 4 Corner Brook Pulp Paper that would result in  
 5 reduction in their load?  
 6 MR. HENDERSON:  
 7 A. Well according to this statement, yes.  
 8 COXWORTHY, Q.C.:  
 9 Q. Thank you. And if we could move on to  
 10 paragraph 21 and so approximately six months  
 11 later, Corner Brook Pulp and Paper Limited  
 12 does announce that it is idling its No. 4  
 13 paper machine indefinitely, reducing the  
 14 electrical load for an unknown period of time.  
 15 So going back to your answer you gave to Mr.  
 16 Johnson that your first notice would have been  
 17 reading it in the paper or when the public  
 18 knew, when the public knew, however that would  
 19 have been, through the media, in terms of a  
 20 final decision by Corner Brook Pulp and Paper  
 21 as to what it was going to do with No. 4 paper  
 22 machine, you know, I'm not going to quarrel  
 23 with that, but was there an understanding  
 24 within Hydro before that for some time that  
 25 that Corner Brook load was at risk of being

Page 164

1 cut due to changes in operations at Corner  
 2 Brook?  
 3 MR. HENDERSON:  
 4 A. I would say generally yes, that we knew that  
 5 there were risks associated with the paper  
 6 industry in their ongoing operations.  
 7 COXWORTHY, Q.C.:  
 8 Q. I'd like to turn to a Board order, P.U. 20  
 9 (2015). This was an order with respect to an  
 10 application brought by an industrial customer  
 11 earlier this year, Teck Resources Limited, in  
 12 relation to their power and order and seeking  
 13 amendment to the contract, an application  
 14 which Teck, I'll hasten to add, was not  
 15 successful. Are you familiar with the  
 16 application, Mr. Henderson or the  
 17 circumstances behind it?  
 18 MR. HENDERSON:  
 19 A. I was aware of the application, not intimately  
 20 but I was aware that it occurred and what the  
 21 request was.  
 22 COXWORTHY, Q.C.:  
 23 Q. Sure. And if we could turn to page 3 and 4 of  
 24 that order and there's an explanation there in  
 25 relation to clause 2.02 of the Service

Page 165

1 Agreement that Hydro has with Teck and there's  
 2 a narrative there in relation to, submitted by  
 3 Hydro, it's in italics, explaining the reason  
 4 behind clause 2.02 and perhaps before we get  
 5 into the explanation, we can move down a  
 6 little bit further on page 4 to the actual  
 7 text of 2.02--I'm sorry, it's page 6 I  
 8 believe. We'll find it--no, let's see, yes,  
 9 I'm sorry, there it is, thank you, Ms. Gray.  
 10 So this is the text of 2.02 and what it  
 11 provides is, I think what you were alluding to  
 12 earlier which is that the industrial customers  
 13 have to file or give notice to Hydro in the  
 14 year previous of what they expect their power  
 15 on order to be for the following year. So not  
 16 later than October 1st of each calendar year,  
 17 the amount of power on order for the following  
 18 calendar year has to be declared by the  
 19 industrial customer, in this case Teck, to  
 20 Hydro. And it goes on to say that subject to  
 21 clause 2.05, which extraordinary circumstances  
 22 would come to play, but short of that it may  
 23 not provide for a decrease other than a  
 24 decrease to take effect on January 1st of the  
 25 following calendar year. So essentially and

Page 166

1 this order confirmed that this is the way in  
 2 which this order is to be interpreted, this  
 3 clause to be interpreted, once the customer  
 4 declares power and order on October 1st,  
 5 they're stuck with that for the following  
 6 year, at least in terms of they can always ask  
 7 for more and if Hydro can provide more, that  
 8 can be accommodated, but the customer can't  
 9 ask to be ramped down during the year or ask  
 10 for less and expect that under this  
 11 contractual term that that can be  
 12 accommodated, is that a fair -  
 13 MR. HENDERSON:  
 14 A. That's correct.  
 15 COXWORTHY, Q.C.:  
 16 Q. And would you agree that Corner Brook Pulp and  
 17 Paper has a similar clause, 2.02 in its -  
 18 MR. HENDERSON:  
 19 A. That's my recollection, I think most of the -  
 20 COXWORTHY, Q.C.:  
 21 Q. I can certainly turn you to an order that  
 22 would demonstrate that, but subject to check  
 23 would you agree that the equivalent provision  
 24 applies to Corner Brook Pulp and Paper, in  
 25 fact applies to all the industrial customers?

Page 167

1 MR. HENDERSON:  
 2 A. That's right, when we put in the industrial  
 3 contracts, we tried to have identical or as  
 4 close to similar terms as possible.  
 5 COXWORTHY, Q.C.:  
 6 Q. So when something happens like Abitibi  
 7 Stephenville mill closes or Corner Brook Pulp  
 8 and Paper reduces its operations, or for that  
 9 matter any other industrial customer, does  
 10 this afford protection to Hydro in terms of in  
 11 that following year if something happens in  
 12 the middle of the year, that that doesn't  
 13 change power and order, that the customer  
 14 still has to pay as if that is the continuing  
 15 power and order for at least the balance of  
 16 that calendar year?  
 17 MR. HENDERSON:  
 18 A. That's correct.  
 19 COXWORTHY, Q.C.:  
 20 Q. And that is a protection for Hydro, is that a  
 21 fair way of characterizing that?  
 22 MR. HENDERSON:  
 23 A. That would be protecting Hydro's demand  
 24 revenue for that year from that customer.  
 25 COXWORTHY, Q.C.:

Page 168

1 Q. That's why I'd like to go back to paragraph or  
 2 page 3, I'm sorry, of this order because I  
 3 think that's what the italicized section  
 4 there, which is an excerpt from Hydro's  
 5 submission, explains. Mr. Chair, I am about  
 6 to go into a new area, it won't finish in five  
 7 minutes. I do respectfully request if we  
 8 could adjourn for the day.  
 9 CHAIRMAN:  
 10 Q. Absolutely sir.  
 11 COXWORTHY, Q.C.:  
 12 Q. Thank you, sir.  
 13 Upon conclusion at 1:25 p.m.

1 CERTIFICATE

2 I, Judy Moss, hereby certify that the foregoing is a true  
3 and correct transcript of a hearing in the matter of  
4 Newfoundland and Labrador Hydro's General Rate  
5 Application heard on the 7th of October, A.D., 2015  
6 before the Commissioners of the Public Utilities Board,  
7 St. John's, Newfoundland and Labrador and was transcribed  
8 by me to the best of my ability by means of a sound  
9 apparatus.  
10 Dated at St. John's, Newfoundland and Labrador  
11 this 7th day of October, A.D., 2015  
12 Judy Moss

	27;6,8 40:20,23 41:20 59:9 85:2,5,5 93:12 116:17,19,20 120:10 123:23	<b>1:25</b> [1] 168:13 <b>1st</b> [10] 70:5 72:22 85:11 90:8,11,14 91:13 165:16 165:24 166:4	<b>25.4</b> [4] 40:9 41:15 42:9 43:21 <b>27</b> [1] 23:15 <b>27.5</b> [1] 23:2 <b>28</b> [1] 1:7 <b>291</b> [1] 16:22	145:8 165:7 <b>60,000</b> [1] 142:5 <b>600,000</b> [1] 142:5 <b>67</b> [1] 35:24 <b>67.5</b> [2] 45:14 46:13 <b>68</b> [1] 9:13 <b>69</b> [5] 35:12,14,16 89:25 91:22 <b>69.7</b> [1] 36:19 <b>6th</b> [2] 135:3 153:5	
<b>-\$-</b>	<b>1,000</b> [6] 19:25 48:16,17 48:25 49:2 60:5 <b>1.11R</b> [1] 68:17 <b>1.6R</b> [1] 50:12 <b>10</b> [6] 36:9,13,18 39:3 130:1 154:17 <b>10.3</b> [2] 85:18,23 <b>101</b> [1] 135:11 <b>103</b> [1] 148:19 <b>107</b> [1] 51:4 <b>109</b> [2] 22:24 45:18 <b>10:00</b> [1] 29:14 <b>10:15</b> [1] 43:25 <b>10:30</b> [1] 56:22 <b>10:45</b> [1] 71:14 <b>10:54</b> [1] 78:11 <b>11</b> [2] 38:6 50:14 <b>11.1</b> [1] 48:4 <b>11.171</b> [3] 29:20 49:8 59:15 <b>11.4</b> [15] 50:15 55:18,22 56:1 57:3 58:7 59:2 60:21 61:6,7,17 62:3,10 62:11 63:6 <b>111</b> [1] 103:16 <b>11:33</b> [1] 78:12 <b>11:45</b> [1] 88:20 <b>12</b> [11] 27:1,6,8 33:4 38:6 48:4 59:9 135:3 137:5 155:22 159:25 <b>12:00</b> [1] 101:6 <b>12:15</b> [1] 116:13 <b>12:30</b> [1] 129:12 <b>12:45</b> [1] 143:24 <b>12:55</b> [1] 143:25 <b>13</b> [5] 9:13,18 22:24 45:18 161:15 <b>138</b> [1] 98:13 <b>139</b> [1] 154:12 <b>14</b> [2] 135:4 161:12 <b>149</b> [2] 95:11,12 <b>15</b> [24] 51:16 52:6,10 53:3 53:5,17 54:2,15,18 55:17 56:10,11 57:8,9,11,18 57:19,21 60:14 62:22,22 64:8 65:15 135:12 <b>15.68</b> [2] 27:20 34:19 <b>150,000</b> [1] 10:6 <b>15th</b> [1] 79:7 <b>17</b> [5] 31:19 48:19 51:11 51:21 98:14 <b>17.083</b> [2] 30:12 49:15 <b>18-19</b> [1] 55:5 <b>19</b> [3] 154:13 162:11,12 <b>1989</b> [1] 43:7 <b>1996</b> [1] 66:9 <b>1:00</b> [1] 147:6 <b>1:15</b> [1] 160:15	<b>-2-</b> <b>2</b> [10] 69:18 88:14 89:13 94:3 115:4 120:17,24 145:6 147:18 155:25 <b>2.02</b> [5] 164:25 165:4,7 165:10 166:17 <b>2.05</b> [1] 165:21 <b>2.1</b> [2] 36:9,18 <b>2.8</b> [25] 45:2 46:13,16 47:22,24,25 48:1,7,8 49:4,7,11,12,22 53:7,9 55:9 56:20 58:1,4 83:22 83:23 84:1 85:19 87:18 <b>20</b> [3] 135:13 137:14 164:8 <b>2001</b> [2] 114:6 117:24 <b>2002</b> [3] 129:20,23 130:21 <b>2002/2003</b> [1] 117:17 <b>2003</b> [3] 114:6 122:25 124:5 <b>2004</b> [1] 52:1 <b>2006</b> [2] 114:6 117:14 <b>2007</b> [22] 41:6 42:24 44:13 51:17 52:1,8 53:13 53:17,18 55:12 73:24,24 74:12 76:16,23 77:7 79:21 91:2 129:24 155:12 160:5 161:15 <b>2008</b> [3] 74:1 159:5 161:16 <b>2009</b> [10] 74:1,6 155:14 157:20 158:13 159:5 160:3 161:20 162:13 163:2 <b>2013</b> [2] 153:10 155:12 <b>2014</b> [19] 1:10 83:4 84:21 92:3 94:16 95:3,17,22 95:22 96:2,8,12,14 97:5 97:8,12,14 98:5 102:10 <b>2015</b> [31] 1:1 44:18 50:25 53:13 76:4 90:10 91:24 92:3 98:11,16 99:20,22 101:15 102:18,21 103:1 103:10 104:5,23 105:24 106:14 109:5,11 115:14 120:18 129:25 148:18 154:12 164:9 169:5,11 <b>2016</b> [8] 2:9 79:6,8 89:22 91:23 96:15 103:12 107:4 <b>20th</b> [1] 160:5 <b>21</b> [2] 21:23 163:10 <b>22</b> [6] 51:9 109:25 110:1 144:13,18 145:11 <b>23</b> [4] 136:18 148:18 153:5,13 <b>24</b> [3] 110:1 154:4,12 <b>24th</b> [2] 147:14,17 <b>25</b> [5] 23:22 42:7 43:1 144:14 145:11	<b>-3-</b> <b>3</b> [11] 22:24 27:6,8,9 45:17 48:4 59:9 73:22 128:12 164:23 168:2 <b>3,500</b> [1] 23:23 <b>3.2.1</b> [1] 145:16 <b>3.47</b> [1] 73:22 <b>30</b> [2] 32:1 100:13 <b>31st</b> [2] 79:6 161:20 <b>35</b> [1] 24:16 <b>37</b> [1] 147:15 <b>39.2</b> [1] 84:13	<b>-4-</b> <b>4</b> [9] 14:16 59:8 149:7 150:12,14 163:12,21 164:23 165:6 <b>4,600</b> [3] 24:3,10,14 <b>4.1</b> [7] 46:9,12 47:21 51:1 83:10,25 85:18 <b>4.15</b> [3] 82:18 83:2 85:8 <b>4.2</b> [9] 56:13,20 57:6,7 57:13,17,21 58:1,4 <b>4.3</b> [2] 44:5 53:10 <b>4.50</b> [2] 45:23 82:21 <b>4.51</b> [1] 45:22 <b>40</b> [7] 32:1,2,4 125:8 126:12 127:11,13 <b>400</b> [1] 51:8 <b>44.82</b> [2] 33:15 34:14 <b>45.9</b> [3] 95:6 97:19 98:6 <b>46</b> [1] 1:24 <b>480,000</b> [1] 142:9 <b>49</b> [1] 39:8 <b>49.554</b> [1] 39:8	<b>-7-</b> <b>7</b> [4] 1:1 50:23 153:5,13 <b>7.0</b> [1] 85:19 <b>7.1</b> [16] 43:21 44:4 49:24 50:2,3,15 53:10,15 54:1 58:5,20,22 60:21,23 61:4 61:23 <b>70</b> [8] 89:25 98:19 99:1 99:11,20,24 100:19 101:2 <b>700</b> [1] 67:9 <b>79</b> [1] 138:4 <b>7th</b> [3] 162:13 169:5,11
			<b>-8-</b> <b>8</b> [4] 138:4 145:6,7,12 <b>80</b> [3] 24:22 25:8 110:23 <b>800</b> [1] 48:21 <b>83</b> [1] 140:23 <b>87</b> [1] 109:25		
			<b>-9-</b> <b>9</b> [1] 33:4 <b>90</b> [2] 24:22 142:8 <b>90s</b> [4] 32:8,9 74:14 126:3 <b>93</b> [1] 147:18 <b>9:28</b> [1] 1:2 <b>9:45</b> [1] 18:24		
			<b>-A-</b> <b>A.D</b> [2] 169:5,11 <b>a.m</b> [9] 1:2 18:24 29:14 43:25 56:22 71:14 78:11 78:12 88:20 <b>ability</b> [2] 9:15 169:8 <b>Abitibi</b> [6] 156:8 157:15 161:18 162:21,25 167:6 <b>able</b> [6] 5:14 8:12 12:7 62:21 114:25 150:16 <b>above</b> [7] 32:17 36:13 39:3 48:18 64:9 82:8 96:23 <b>Absolutely</b> [3] 143:21 156:25 168:10 <b>accept</b> [5] 10:21 21:10 120:13 149:1 152:3 <b>accepted</b> [4] 6:24 58:13 90:3 92:13 <b>accommodated</b> [2] 166:8,12 <b>accordance</b> [2] 2:2 4:16		
<b>-\$-</b>					
<b>\$1.10</b> [1] 74:2 <b>\$109,000.00</b> [1] 14:20 <b>\$11.40</b> [1] 39:9 <b>\$145,000.00</b> [2] 16:18 16:20 <b>\$15.68</b> [1] 59:19 <b>\$165,000.00</b> [1] 14:12 <b>\$166,000.00</b> [1] 14:20 <b>\$17.08</b> [1] 35:9 <b>\$20.00</b> [1] 29:4 <b>\$22,000.00</b> [1] 14:23 <b>\$291,000.00</b> [5] 14:10 14:18 16:15,25 17:5 <b>\$300,000.00</b> [1] 14:11 <b>\$400,000</b> [2] 52:21 53:20 <b>\$49.554</b> [1] 39:12 <b>\$500,000</b> [1] 141:13 <b>\$53.64</b> [1] 40:1 <b>\$53.68</b> [2] 39:10,12 <b>\$59,000.00</b> [1] 14:21 <b>\$600,000</b> [2] 141:11,24 <b>\$69.00</b> [2] 35:9 91:21 <b>\$69.70</b> [1] 35:3 <b>\$70</b> [2] 70:22 91:22 <b>\$70.00</b> [1] 89:22 <b>\$73.00</b> [2] 92:10,17 <b>\$73.75</b> [1] 89:15 <b>\$87.44</b> [2] 59:10 60:3 <b>\$90,000.00</b> [1] 14:14 <b>\$93</b> [4] 83:15 85:3,16 86:7 <b>\$93.32</b> [1] 69:16					
<b>-&amp;-</b>					
<b>&amp;</b> [5] 9:21 13:8 14:23,25 137:12					
<b>-'-</b>					
<b>'14</b> [2] 97:25 109:12 <b>'15</b> [3] 91:25 92:1 109:13 <b>'16</b> [2] 105:1 106:14 <b>'92</b> [1] 42:14 <b>'95</b> [2] 42:14,16 <b>'til</b> [1] 91:8					
<b>-.-</b>					
<b>.16</b> [1] 121:1 <b>.67</b> [1] 115:9					
<b>-0-</b>					
<b>019</b> [1] 129:15 <b>083</b> [4] 9:24 13:10,11 14:17					
<b>-1-</b>					
<b>1</b> [19] 9:25 13:11,11,20					

<p><b>according</b> [1] 163:7  <b>account</b> [15] 61:3,15          68:5,13 70:15 73:1,2          74:9 101:4 148:24 149:2          149:4,18 152:14 153:15  <b>accounts</b> [4] 43:3 148:21          148:21 151:23  <b>accrual</b> [1] 41:19  <b>accumulate</b> [1] 74:10  <b>accumulated</b> [1] 153:20  <b>achieve</b> [1] 99:3  <b>achieved</b> [2] 74:8 99:9  <b>acknowledges</b> [1]          128:20  <b>acquiescence</b> [1] 11:14  <b>Act</b> [9] 20:11,12,19,24          20:25 21:1 113:12,17          114:12  <b>active</b> [1] 111:20  <b>Acts</b> [1] 21:8  <b>actual</b> [22] 14:17 29:5,19          30:6 33:6 34:15,20,24          37:23 38:1 45:20 69:2,3          69:5,9 93:16 95:4 96:13          96:21 97:2,9 165:6  <b>add</b> [1] 164:14  <b>adding</b> [1] 57:3  <b>additional</b> [8] 39:22          71:8 73:8 74:3,9 91:14          97:11 120:16  <b>address</b> [1] 77:17  <b>addressed</b> [1] 101:16  <b>adjourn</b> [2] 78:10 168:8  <b>adjust</b> [2] 103:18 105:21  <b>adjusted</b> [2] 102:14          103:3  <b>adjusting</b> [2] 93:19          109:10  <b>adjustment</b> [10] 51:24          72:21 83:10 87:8 92:19          93:13 105:10 106:2 107:3          107:5  <b>adjustments</b> [4] 46:3          60:10 106:7,13  <b>advance</b> [4] 11:21 18:1          154:3,16  <b>advanced</b> [1] 114:20  <b>advise</b> [1] 79:8  <b>advisement</b> [6] 5:18 6:3          7:25 93:10 135:1 139:2  <b>advocate</b> [5] 1:18 2:16          4:1 147:13,19  <b>affect</b> [1] 63:16  <b>affects</b> [1] 4:20  <b>afford</b> [1] 167:10  <b>affordable</b> [4] 110:3,25          111:4,12  <b>again</b> [21] 1:4 5:20 13:6          13:7 38:15 45:18 53:25          67:4 114:20 118:4,12,23          120:12 137:4,21 138:13          144:5 147:14,17 154:13          159:18  <b>against</b> [2] 74:10 151:25</p>	<p><b>aggregate</b> [2] 25:15          29:23  <b>aging</b> [1] 77:11  <b>ago</b> [2] 19:10 147:13  <b>agree</b> [15] 17:17 62:6,14          65:25 89:11 91:21 103:23          108:20,23 117:22 121:6          146:21 160:12 166:16,23  <b>agreed</b> [2] 78:24 138:14  <b>agreement</b> [7] 20:14          79:1 139:14,18,19,22          165:1  <b>agreements</b> [1] 80:20  <b>agrees</b> [4] 5:3,13,23 6:22  <b>ahead</b> [2] 54:6 64:21  <b>allocate</b> [2] 25:16 146:17  <b>allocated</b> [4] 129:18,21          146:22,24  <b>allocation</b> [4] 4:18,20          25:21 32:10  <b>allocations</b> [1] 25:16  <b>allow</b> [1] 103:20  <b>allowance</b> [1] 106:16  <b>allows</b> [1] 59:24  <b>alluding</b> [1] 165:11  <b>almost</b> [2] 14:10 96:14  <b>along</b> [4] 19:23,25 127:17          129:25  <b>always</b> [7] 6:1 38:22          68:23 76:1 96:18 160:23          166:6  <b>amend</b> [5] 5:9,19 88:18          89:5 98:22  <b>amended</b> [13] 2:14 6:2          9:21 26:8 45:22 55:4          68:3 69:15 83:3 86:3          102:2 137:22 139:15  <b>amendment</b> [4] 6:4          107:13,16 164:13  <b>among</b> [1] 128:17  <b>amount</b> [13] 13:9 53:1          94:20,25 100:5,13,15          141:9 157:2 158:18          160:24 161:8 165:17  <b>analysing</b> [2] 82:4,8  <b>analysis</b> [3] 124:5 125:18          158:21  <b>analyzed</b> [1] 138:8  <b>announce</b> [1] 163:12  <b>announced</b> [3] 155:6          161:18 162:14  <b>annual</b> [3] 14:9 16:15,17  <b>anomalies</b> [1] 7:1  <b>anomaly</b> [1] 6:22  <b>answer</b> [10] 95:19 102:15          106:24 117:6 126:8 132:6          149:13 155:1,3 163:15  <b>answered</b> [2] 144:12          148:4  <b>anticipate</b> [2] 71:6          149:11  <b>anticipated</b> [3] 87:6          99:1 141:19  <b>anticipating</b> [2] 93:22</p>	<p>149:12  <b>anticipation</b> [2] 99:5,13  <b>anyway</b> [5] 12:22 35:18          97:16 108:1 126:15  <b>apparatus</b> [1] 169:9  <b>appear</b> [2] 13:19 117:6  <b>apples</b> [2] 87:20,20  <b>appliances</b> [1] 39:17  <b>applicable</b> [1] 119:14  <b>applicant</b> [3] 5:2,6,8  <b>application</b> [76] 2:22          3:12,13,14,19,25 4:6,15          5:9,20 6:1,5,14,19 7:3          14:2 26:7,8 45:23 50:11          50:11 53:2 55:4 69:16          70:3 82:17,19 83:3,25          84:21 85:4,21,22 86:2          86:16,22 87:21 88:18          89:4,6,15 90:24,25 91:6          98:15,23 101:16,19 102:2          105:15 107:14,18 117:16          123:10 135:25 137:22          138:7 139:4,10,15,23,25          140:3 145:7 155:14,14          159:25 160:1,1,6 162:12          164:10,13,16,19 169:5  <b>applications</b> [1] 86:18  <b>applied</b> [7] 4:5 14:7 15:9          15:10,24 16:13 105:8  <b>applies</b> [5] 48:24 49:1          144:16 166:24,25  <b>apply</b> [10] 16:11 24:14          44:17,20 49:15,16 53:7          59:25 60:17 66:2  <b>applying</b> [2] 54:23 57:9  <b>appreciate</b> [2] 25:5          43:13  <b>apprise</b> [1] 154:15  <b>approach</b> [19] 2:8 42:23          73:6 79:19,20 80:1,21          91:12 135:8,9,21          136:16 137:1,19 138:2,3          138:10 139:5  <b>appropriate</b> [25] 5:19          8:14 11:16 14:25 17:6,7          17:18 75:20 77:17 87:2          91:22 100:4 109:14          121:22 140:8 144:21          145:14,21 146:11 147:24          150:1,3,9 152:13,19  <b>appropriateness</b> [1]          149:1  <b>approval</b> [3] 3:1 82:17          99:19  <b>approve</b> [2] 1:20 70:16  <b>approved</b> [13] 2:2,6 3:18          4:16 41:21 52:14 58:15          60:25 70:25 90:11 105:9          122:4 140:12  <b>approves</b> [2] 76:6 94:20  <b>approximate</b> [1] 142:9  <b>April</b> [1] 99:7  <b>area</b> [9] 10:13 23:5          112:14 115:22 119:20,25          128:3 153:3 168:6  <b>areas</b> [9] 30:3,5 31:25</p>	<p>34:16 71:9 120:17 126:25          132:17,17  <b>argument</b> [2] 18:2          107:22  <b>arising</b> [3] 2:20 7:20          8:17  <b>aspect</b> [3] 81:16 82:9          112:15  <b>aspects</b> [3] 15:20 28:23          29:1  <b>assessment</b> [3] 11:1          82:10 112:1  <b>asset</b> [2] 1:9 150:7  <b>assets</b> [4] 77:11 105:19          109:9,11  <b>assign</b> [1] 6:20  <b>assigned</b> [22] 1:22 2:1,6          4:4,19 6:20 9:22 14:8,23          15:1,22 18:13,19 88:25          89:8 134:24 135:16,18          137:11,20 141:11,25  <b>associated</b> [5] 66:15          105:5,16 108:7 164:5  <b>Associates</b> [2] 79:13,16  <b>assume</b> [3] 73:2 146:16          152:18  <b>assumed</b> [2] 104:5,16  <b>assuming</b> [5] 33:17          70:23 79:21 92:11 96:23  <b>Atlantic</b> [1] 14:21  <b>attachment</b> [10] 27:4,6          27:8,9 48:4 59:9 116:19          123:22 128:12 130:12  <b>attempted</b> [1] 149:14  <b>attend</b> [1] 111:19  <b>attended</b> [1] 112:5  <b>attention</b> [3] 5:16 122:23          123:4  <b>au</b> [4] 63:22 122:3,6,12  <b>automatic</b> [2] 51:23          72:21  <b>available</b> [3] 94:9 144:19          148:8  <b>avenue</b> [1] 6:17  <b>average</b> [14] 24:21 29:2          31:25 49:15 57:7 61:13          62:1 69:5,5,8 74:12 75:2          110:23 132:20  <b>avoid</b> [1] 154:18  <b>avoiding</b> [1] 28:11  <b>aware</b> [25] 2:16,22 20:16          21:22,23 95:3 117:10          123:7,15,17 132:10,18          132:23 133:7,15 134:2,3          134:5 158:12,15,16          160:13 161:21 164:19,20  <b>awareness</b> [1] 133:23  <b>away</b> [1] 149:22</p>	<p><b>Baker</b> [1] 32:9  <b>balance</b> [4] 104:15,17          105:11 167:15  <b>balances</b> [3] 72:23,24          91:4  <b>ball</b> [3] 22:17 23:3,14  <b>bare</b> [1] 151:13  <b>barrel</b> [5] 85:16 89:15          89:22 92:10,18  <b>base</b> [10] 46:1 60:10          104:14,16,18 105:20,21          107:5 131:12,16  <b>based</b> [29] 28:2 30:7          37:21 44:12 45:13 46:19          46:23 47:8 58:13 69:16          71:4 77:1 83:15 84:21          85:21 92:9 95:4 97:9          99:1,24 100:16 103:20          110:3,22 115:14 135:17          138:7 140:6 154:8  <b>basic</b> [12] 27:19,25 33:15          33:17 37:17 38:16 59:17          59:18,20,25 60:7 63:25  <b>basing</b> [1] 46:20  <b>basis</b> [19] 1:19 7:22 11:10          14:5 37:21 42:1 45:3          47:6 61:1,9 63:1 74:25          75:3 96:5 110:8 113:3          130:8 160:7,9  <b>Bay</b> [4] 46:15 134:5,7,12  <b>bear</b> [1] 76:20  <b>becomes</b> [1] 23:19  <b>beg</b> [2] 8:9 19:1  <b>beginning</b> [3] 19:21 56:9          137:5  <b>behalf</b> [1] 112:5  <b>behind</b> [4] 73:11 81:2          164:17 165:4  <b>believes</b> [4] 2:7 75:19          105:4 135:14  <b>belonging</b> [1] 57:20  <b>below</b> [7] 29:6 32:21 36:9          36:18 46:15 82:8 145:15  <b>benefit</b> [7] 65:19 67:13          67:14,20 71:18 72:6,19  <b>benefitting</b> [1] 71:16  <b>best</b> [2] 159:19 169:8  <b>better</b> [6] 31:23 32:18          50:20,21 64:25 98:3  <b>between</b> [21] 23:11 24:15          28:17,19 33:25 37:22          40:12,13,14 42:4 52:1          65:2 74:1 89:25 91:22          111:16 123:13 125:10,20          126:14 138:17  <b>beyond</b> [4] 99:11 100:15          151:25 152:3  <b>bias</b> [1] 10:21  <b>bigger</b> [1] 41:2  <b>biggest</b> [3] 23:8,10          106:11  <b>bill</b> [24] 26:24 27:12 33:1          36:2 43:15,16 48:2,3,20          57:19,21 59:2 60:13,24          61:13 62:1,2,10 63:5</p>
--	---	---	---	---

-B-

<p>65:6 67:21 127:18,21 130:8 <b>billed</b> [1] 132:15 <b>billing</b> [2] 28:22 29:9 <b>billings</b> [1] 46:7 <b>billion</b> [1] 67:10 <b>bills</b> [3] 61:12 62:19 65:4 <b>bit</b> [9] 33:5,14 63:8 81:20 90:6,7 161:17 162:24 165:6 <b>blend</b> [1] 40:5 <b>blended</b> [1] 36:21 <b>blending</b> [1] 39:12 <b>block</b> [24] 28:2 29:21 30:7,13 31:21 32:13,13 32:17 37:19 48:7,10,17 48:22,23 49:18 53:4 54:12,14 57:22 59:6 60:1 63:24 64:4,14 <b>blocks</b> [3] 48:13,14 156:10 <b>Board</b> [74] 1:19 2:22 3:6 3:12,15,17 4:16 5:5 6:17 10:21 11:1 41:20,20 58:15 63:9 70:15 76:6 77:9 79:8 84:24 86:14 86:18,23,23 88:11 90:3 90:11 91:16 92:13 94:10 94:20 95:1,20,23 96:3,6 96:7,20 97:3,7,17 100:16 101:5 102:7 103:19 105:8 106:2 107:3 108:3 117:25 118:18 122:5 124:1 128:15,20 129:10 130:15 130:23 134:12 135:13,20 135:22 136:1 137:2,23 138:6 139:5 140:2,13 155:18 160:6 161:16 164:8 169:6 <b>Board's</b> [4] 2:2 3:1 103:4 155:18 <b>bonuses</b> [1] 1:9 <b>bottom</b> [2] 14:17 145:8 <b>Bowman</b> [3] 75:6 108:5 108:21 <b>break</b> [4] 77:25 78:8,11 143:18 <b>breaks</b> [1] 33:24 <b>briefly</b> [1] 4:14 <b>bring</b> [7] 3:19 9:12 22:23 67:4 109:24 132:9 140:24 <b>bringing</b> [2] 53:12 106:22 <b>broke</b> [2] 125:14 127:6 <b>Brook</b> [18] 14:11,19 16:12 154:15 155:6 156:9 157:13 162:14,17,18 163:4,11,20,25 164:2 166:16,24 167:7 <b>brought</b> [6] 5:11 21:16 122:23 123:4 144:16 164:10 <b>budgets</b> [1] 77:8 <b>build</b> [1] 153:14 <b>building</b> [1] 39:18 <b>bump</b> [1] 57:17</p>	<p><b>burden</b> [1] 128:20 <b>Burgeo</b> [2] 116:2 117:3 <b>business</b> [3] 145:14,15 161:25 <b>buying</b> [1] 75:24 <b>buzz</b> [2] 31:4,4</p> <hr/> <p style="text-align: center;"><b>-C-</b></p> <hr/> <p><b>C</b> [1] 68:24 <b>calculate</b> [1] 135:17 <b>calculated</b> [1] 94:21 <b>calculating</b> [2] 2:12 104:13 <b>calculation</b> [3] 44:23 46:6 56:1 <b>calendar</b> [4] 165:16,18 165:25 167:16 <b>calls</b> [1] 29:10 <b>Canadian</b> [1] 46:15 <b>cannot</b> [1] 6:24 <b>capital</b> [12] 77:3,6,8 82:5 82:5 105:19 106:11 109:9 109:11,14,16 154:19 <b>capture</b> [1] 149:5 <b>captured</b> [1] 152:13 <b>car</b> [1] 76:2 <b>care</b> [2] 62:3,8 <b>careful</b> [1] 48:13 <b>carried</b> [1] 109:13 <b>carry</b> [1] 6:15 <b>carrying</b> [1] 53:12 <b>case</b> [19] 4:17,24,25 11:2 14:9,11,13 29:20 33:18 33:18,22 35:3 39:25 40:3 42:9 43:10 76:9 144:12 165:19 <b>CASS</b> [1] 143:14 <b>catch</b> [2] 43:1 52:2 <b>catches</b> [1] 53:16 <b>caused</b> [1] 137:7 <b>causes</b> [1] 53:6 <b>centre</b> [1] 29:9 <b>cents</b> [30] 24:22 25:8 29:20 30:12 32:1,2,4 35:12,14,16,24 39:8,8 48:5,19 49:8,15 51:11 51:21 59:15,23 60:6 73:25 74:5,13 83:16 110:23 149:7 150:12,14 <b>certain</b> [8] 28:23,25 66:21 69:12 97:2,12 119:2 133:6 <b>certainly</b> [14] 12:6 16:3 67:23 107:21 125:23 126:23 136:18,25 146:18 147:22 148:25 156:16 161:3 166:21 <b>CERTIFICATE</b> [1] 169:1 <b>certify</b> [1] 169:2 <b>Chair</b> [9] 1:7 4:13 5:21 7:17 8:7 78:18 143:15 144:9 168:5</p>	<p><b>Chairman</b> [32] 1:3,12 1:16,17 4:9 6:6,11 7:14 7:18,24 8:3,8,13,23 9:6 10:15 12:12,19,23 18:22 18:25 19:13,18 77:23 78:9,13 143:11,16,22 144:1 148:7 168:9 <b>challenge</b> [2] 100:4 160:24 <b>challenging</b> [1] 160:20 <b>chance</b> [2] 7:6 17:8 <b>change</b> [51] 2:15,17,21 2:25 40:13,20,22 41:5 46:9 48:6 52:8 56:11 69:10,14 70:2,20 71:25 72:3 76:10 85:1,11 87:25 89:3 100:13 101:18 108:6 109:4 123:18 130:23 139:23 140:4,11 141:10 143:1 149:11,20 150:1,2 150:9,19,21 152:17,23 152:24 156:18,19 157:4 157:10 158:16,24 167:13 <b>changed</b> [5] 76:2 122:13 138:18 139:12,13 <b>changes</b> [21] 17:25 40:15 40:23 45:16,21 46:1,3 51:25 76:7,7 88:23 91:1 135:19 140:20 154:23 155:10 156:5,8 160:13 160:14 164:1 <b>changing</b> [3] 143:3 152:4 161:1 <b>characteristics</b> [1] 119:6 <b>characterizing</b> [1] 167:21 <b>charge</b> [52] 4:4 6:20 9:22 14:9,9 16:15,17 27:19 27:20,21,22,25 28:2,14 29:5,13 33:15,17 34:18 36:21 37:18 38:16,22 39:6,7,7,14,15,15,16 52:7 53:9 54:16,24 59:18 59:19,21,22,25 60:1,8 63:25 66:12,14,19 89:1 89:9 135:18 137:11 145:21 146:11 151:6 <b>charged</b> [3] 29:18 121:7 145:14 <b>charges</b> [23] 1:23,25 2:1 2:6 9:21 13:8 16:10 18:20,20 29:23,25,25 30:15,17 33:19 54:17 66:21 73:2 134:24 135:16 137:20 138:17 140:12 <b>charging</b> [5] 36:1 76:11 144:20 145:21 146:4 <b>chart</b> [1] 73:20 <b>cheaper</b> [1] 128:5 <b>check</b> [8] 11:18 20:18 98:9 117:22 118:4 120:13 147:4 166:22 <b>chose</b> [1] 88:18 <b>Christensen</b> [6] 79:13 80:1,8,22 81:10,24 <b>churches</b> [2] 119:7,10 <b>Churchill</b> [1] 67:7</p>	<p><b>CIAC</b> [1] 138:9 <b>circulated</b> [1] 79:23 <b>circumstance</b> [1] 140:7 <b>circumstances</b> [4] 4:1 113:13 164:17 165:21 <b>Claims</b> [1] 20:14 <b>clarification</b> [1] 107:18 <b>clarified</b> [1] 156:20 <b>clarify</b> [3] 134:25 139:9 147:12 <b>clarity</b> [1] 118:12 <b>class</b> [3] 27:14 41:16 42:11 <b>classes</b> [2] 44:15 84:22 <b>clause</b> [5] 164:25 165:4 165:21 166:3,17 <b>clear</b> [13] 17:22 18:1 49:8 91:3 100:10 107:4,23 118:17 131:23 136:5,7 140:9,13 <b>clearly</b> [1] 11:19 <b>close</b> [2] 127:25 167:4 <b>closely</b> [1] 137:16 <b>closer</b> [4] 29:3 32:2 98:22 128:3 <b>closes</b> [1] 167:7 <b>closing</b> [2] 157:5 161:19 <b>closure</b> [3] 153:25 155:6 160:21 <b>Coast</b> [2] 59:10 60:3 <b>collection</b> [1] 66:13 <b>combination</b> [1] 127:2 <b>combined</b> [1] 81:12 <b>combustion</b> [10] 104:3 104:4,6,8,14 105:1,6,17 109:3,7 <b>coming</b> [4] 28:5 44:21 94:4 112:24 <b>comment</b> [3] 8:16 63:13 126:18 <b>comments</b> [12] 4:11,14 6:12 7:15 8:17 11:14,19 67:16 79:24 135:20 136:20 137:3 <b>commercial</b> [1] 38:25 <b>Commissioners</b> [3] 1:16,17 169:6 <b>common</b> [9] 15:2 18:9 128:10,18 129:2 130:16 141:12,25 154:25 <b>communications</b> [2] 25:20 87:24 <b>communities</b> [6] 21:24 22:18 41:17 65:18 71:18 72:18 <b>community</b> [2] 119:7 119:10 <b>company</b> [1] 76:8 <b>compare</b> [1] 69:7 <b>comparison</b> [2] 85:7 87:21 <b>complete</b> [2] 79:14 80:8 <b>completed</b> [2] 81:13</p>	<p>96:1 <b>complexity</b> [1] 46:4 <b>complication</b> [1] 88:3 <b>comply</b> [1] 135:19 <b>complying</b> [1] 122:9 <b>component</b> [2] 66:22 156:23 <b>components</b> [2] 49:12 137:17 <b>compounding</b> [2] 55:10 58:4 <b>compute</b> [1] 61:14 <b>concept</b> [2] 43:10 111:4 <b>concern</b> [2] 11:11 130:20 <b>concerned</b> [1] 128:22 <b>concerns</b> [1] 17:21 <b>conclusion</b> [4] 6:16 112:25 113:1 168:13 <b>conditions</b> [2] 149:20 161:22 <b>confirm</b> [3] 38:6 118:6 156:6 <b>confirmed</b> [1] 166:1 <b>confirms</b> [1] 155:3 <b>conflict</b> [1] 147:20 <b>confuse</b> [1] 38:2 <b>confused</b> [4] 33:5 46:20 57:1 72:14 <b>confusing</b> [1] 65:21 <b>confusion</b> [2] 87:16 88:8 <b>connected</b> [1] 56:20 <b>conservation</b> [1] 30:24 <b>conserve</b> [1] 32:24 <b>conserving</b> [1] 153:20 <b>consider</b> [7] 5:19 6:3 105:20 107:13 137:2,23 150:5 <b>considerable</b> [1] 13:9 <b>consideration</b> [3] 122:21 133:20 149:25 <b>considered</b> [5] 11:13 29:1 39:2 43:9 108:13 <b>considers</b> [2] 17:7 140:13 <b>consistent</b> [5] 70:24 77:18 79:20 113:25 146:6 <b>consultant</b> [1] 79:13 <b>consultants</b> [1] 80:25 <b>consumer</b> [8] 1:18 2:16 4:1 84:1 85:25 87:20 147:12,19 <b>consumption</b> [4] 44:18 158:21 159:12 162:19 <b>contact</b> [1] 160:22 <b>contained</b> [1] 10:8 <b>contains</b> [1] 10:20 <b>contemplating</b> [1] 143:3 <b>contentious</b> [2] 100:1,9 <b>context</b> [5] 19:7 67:15 87:14 127:16 128:6 <b>continuance</b> [1] 118:6</p>
---	--	---	--	---

<p><b>continue</b> [2] 4:3 121:21  <b>continued</b> [1] 52:25  <b>continues</b> [1] 154:4  <b>continuing</b> [4] 55:13  80:4 160:7 167:14  <b>contract</b> [1] 164:13  <b>contracts</b> [3] 81:10,24  167:3  <b>contractual</b> [1] 166:11  <b>contribute</b> [3] 67:17  72:1 133:19  <b>contributed</b> [1] 130:7  <b>contributes</b> [1] 127:13  <b>control</b> [8] 20:12 21:1  113:11,17 114:12 152:1  152:1,3  <b>controlled</b> [2] 152:8,9  <b>conversation</b> [1] 156:13  <b>conviviality</b> [1] 12:18  <b>corner</b> [20] 14:11,19  16:11 36:11 39:4 154:15  155:6 156:9 157:13  162:14,17,18 163:4,11  163:20,25 164:1 166:16  166:24 167:7  <b>corporate</b> [3] 112:21  145:10,12  <b>correct</b> [63] 8:22,25 9:2  16:5 17:11,15 21:20,25  22:7 23:5 27:13,17 35:5  38:13 39:25 40:11 41:14  41:19 42:1 50:4 53:23  64:6,11,16 83:4,6,11,17  83:19,23 84:4,10,14,16  85:6 86:1 89:16,23 92:15  92:21 94:22 95:8 102:16  115:12 118:2 119:8,21  121:2,4 126:7,16 140:21  143:19 144:9 147:3  153:21 156:6 157:24  158:3,10 166:14 167:18  169:3  <b>correlated</b> [1] 69:18  <b>correlation</b> [1] 69:20  <b>cost</b> [124] 2:10 4:20 12:4  15:19,20 17:3,25 18:14  24:21 25:10,18 28:16  29:2,8 30:22 31:1,24,25  32:6,15,15,19,20,21,23  33:23,24 34:2,3,4,6,8,9  34:10,15,20,25 36:6,8  36:20,20 37:10,13,15,23  42:22 44:6,21 46:11,21  46:21 68:5 69:2,3,5,5,11  69:20,21 71:4,5,8 72:9  72:10 73:24 74:12 75:21  76:24 77:5 79:3,5,7,12  79:14,18 80:8,14,16,19  81:13,14,19 82:4 86:11  96:6,13 97:5 104:7 105:5  105:13,16 106:12 108:6  108:19 110:23 115:5,9  115:11 120:15,18,25  127:1 132:12,16,20,25  133:16 135:15 136:6  140:10 141:2,16,20  142:18 148:23 150:2,20  151:5,9,16,20 152:2,17</p>	<p>152:24  <b>costs</b> [82] 2:12 4:19 14:23  20:4,4 25:17 28:18,18  28:19,20 29:2 30:1,18  33:25 34:1,1 36:2 37:12  38:2 39:22 43:8 44:14  45:6,12 47:2 51:22 69:8  69:8 70:4,6 71:1 73:9  74:2,3,9,15 75:14 76:7,9  76:12 77:10,13,14 81:25  82:2,7 95:4,5,18,20,24  96:2,5,6,21,22 97:2,11  97:14,15,18,21,22,23  98:16 100:17,25 102:18  106:14 130:6,6 138:22  145:10,13,17 150:6 151:6  151:13,25 152:19,23  160:24  <b>Council</b> [5] 55:13 110:13  113:8 118:6 123:1  <b>counsel</b> [4] 3:5,6 139:25  147:25  <b>counting</b> [1] 97:22  <b>country</b> [1] 42:18  <b>counts</b> [1] 25:22  <b>couple</b> [2] 1:14 66:20  <b>course</b> [8] 4:14,17,20  71:2 85:14 100:3 157:21  158:23  <b>cover</b> [7] 27:21,22 29:19  29:21 33:18 86:1 109:21  <b>covers</b> [2] 28:14 30:13  <b>Coxworthy</b> [41] 8:19,20  90:16 144:6,8 145:4  146:1,13 147:7 148:11  148:17 150:10,22 151:10  151:22 152:11,21 153:2  155:23 156:15,24 157:11  157:19,25 158:4,11 159:3  159:15,23 161:10 162:4  162:10 163:8 164:7,22  166:15,20 167:5,19,25  168:11  <b>create</b> [5] 43:5 66:23  88:3,8 127:8  <b>created</b> [1] 44:13  <b>credit</b> [1] 60:2  <b>cross</b> [3] 126:14 128:17  155:16  <b>cross-examination</b> [8]  2:23 8:6 13:3 19:3 78:15  138:12 140:18 155:16  <b>cross-examine</b> [2] 3:2  8:12  <b>CT</b> [1] 109:16  <b>cumulative</b> [3] 74:25  75:3,15  <b>current</b> [7] 51:25 79:9  86:16,20 88:5 138:5  157:21  <b>customer</b> [91] 4:22 5:10  23:11 24:12,23 25:22  27:19,25 28:14,18,20,20  29:1,2,5,5,10,12 32:22  32:23 33:17,20,25 34:2  34:18,20,24 36:4,8,19  37:17 38:21 42:10 43:21  43:22 47:22,23,25 49:4</p>	<p>49:10 57:8 59:16,17,19  59:20,25 60:7,10 61:14  62:20 63:4,5,25 74:23  81:8 84:22 86:24 87:8  88:2 91:1 112:19 113:21  113:22,23 115:20,20,21  115:23 116:4 119:5 120:6  130:8 131:15 132:25  133:1 152:3 153:16  155:10 157:5 158:19,22  160:14 161:9 162:7  164:10 165:19 166:3,8  167:9,13,24  <b>customer's</b> [1] 60:23  <b>customers</b> [132] 1:21,22  2:13 3:22 6:21 14:5,8  18:18 23:4,5 24:2 25:25  28:1 29:3,7,24 30:20,23  31:24 32:6,14,16 34:11  36:7 37:10,16 39:16  40:21,22,24 41:3 42:10  42:20,22,24 44:15,25  45:10 46:10,17 47:7,18  48:6,8 49:17,24 52:18  53:11 54:9,10,16 55:4  56:16 58:3 59:3,4 60:4  60:18 61:12,22,23 63:20  63:21,23 66:10,16,19  67:24 70:6,7,10,20 71:10  71:16,24 72:1,3,25 74:16  76:11,19 77:2 84:14  85:12 89:1 90:9,13,17  90:23 91:13 92:21 93:13  108:15 110:4 111:6,13  111:22 113:12 114:16  115:3,10 119:2,17,19,24  123:13,14,17 129:7 130:4  132:10 133:6,15 134:3  134:11,15 147:22 151:8  151:12,13 152:20 153:18  158:8 159:6,9,11,17  160:8,11 161:24 165:12  166:25  <b>customers'</b> [1] 40:19  <b>cut</b> [1] 164:1  <b>cutbacks</b> [3] 162:15,18  163:3</p>	<p>47:3,9,14 49:25 50:9,19  51:3,13,18 52:19 53:14  53:24 54:5,25 55:6,16  55:23 56:3,7,19,25 57:14  57:23 58:6,17,24 59:12  60:19 61:5,18,24 62:7  62:15 63:7,15 64:1,7,12  64:17,22 65:10,14 66:24  68:1,8,16 71:15 72:5,12  73:10,16 74:19 75:22  76:13 77:20 109:21  118:24  <b>days</b> [5] 93:5,6 94:13,13  142:21  <b>daytimer</b> [1] 146:9  <b>deal</b> [4] 29:10 95:16  108:10 112:14  <b>dealing</b> [4] 13:7 20:22  81:7 141:10  <b>deals</b> [3] 10:7 72:22  90:11  <b>dealt</b> [6] 70:14 82:6 98:21  112:12 120:14 137:10  <b>Dean</b> [5] 10:2,14 11:4,24  135:6  <b>Dean's</b> [4] 2:7 9:15 10:9  136:25  <b>December</b> [4] 48:16  104:7 160:5 161:14  <b>decide</b> [3] 43:23 136:1  157:5  <b>decided</b> [1] 102:6  <b>deciding</b> [3] 43:21 96:11  150:25  <b>decision</b> [4] 43:5 102:2  103:4 163:20  <b>decisions</b> [1] 103:6  <b>declared</b> [2] 10:10  165:18  <b>declares</b> [1] 166:4  <b>declined</b> [1] 70:19  <b>decrease</b> [6] 72:10 85:12  92:19 162:6 165:23,24  <b>deemed</b> [1] 14:24  <b>Deer</b> [1] 127:19  <b>defer</b> [1] 98:16  <b>deferral</b> [19] 54:2 55:17  56:11 64:8,8 65:16 68:5  68:12 70:15 73:2 74:8  148:21,21,24 149:2,4,18  151:23 152:13  <b>deferred</b> [4] 53:9,17,18  53:21  <b>deficiencies</b> [1] 92:4  <b>deficiency</b> [18] 90:10  91:25 94:17,19 95:3,16  95:22 97:20 98:5,11,24  99:11,21 100:6 102:10  102:21 103:10 105:24  <b>deficit</b> [41] 22:13,14,20  22:25 32:10 42:19 43:5  52:12,18 65:20 66:3  67:18 70:8 71:19,20,24  110:1 121:9,16,20 123:5  123:8,12 124:3,7 125:9  126:10,12,19 127:8,11</p>	<p>127:14 128:21 129:7,18  129:21 130:2,14,17,24  131:2  <b>defined</b> [1] 81:5  <b>defining</b> [1] 80:16  <b>definitely</b> [2] 67:23  117:14  <b>definitions</b> [1] 68:25  <b>delay</b> [1] 99:9  <b>delayed</b> [4] 55:11 104:10  104:21,24  <b>delineate</b> [1] 29:7  <b>demand</b> [18] 28:20 29:24  34:1,3 36:9,20 38:17,22  39:3,6,15,20 54:17 119:6  120:4,6 156:22 167:23  <b>demonstrate</b> [2] 125:19  166:22  <b>departments</b> [1] 34:5  <b>departure</b> [1] 3:17  <b>depend</b> [1] 151:18  <b>depended</b> [1] 125:14  <b>depending</b> [1] 71:11  <b>depreciation</b> [2] 77:10  104:20  <b>derive</b> [1] 34:2  <b>derived</b> [2] 34:9 44:14  <b>describe</b> [2] 135:8,9  <b>described</b> [2] 11:4,7  <b>describing</b> [2] 109:25  137:6  <b>design</b> [8] 30:19 37:13  37:24 81:5,6,15 87:4  134:19  <b>designation</b> [1] 11:6  <b>designed</b> [3] 6:13 120:15  134:6  <b>designs</b> [2] 32:11 45:5  <b>desirability</b> [1] 90:7  <b>detail</b> [1] 63:9  <b>detailed</b> [1] 108:2  <b>details</b> [1] 124:20  <b>determination</b> [1] 7:20  <b>determine</b> [6] 70:1 82:1  95:5 101:18,19 140:19  <b>determined</b> [4] 14:4  94:25 97:1 101:21  <b>determining</b> [5] 52:12  105:21,23 107:4 135:16  <b>develop</b> [1] 91:12  <b>developed</b> [2] 104:5  134:9  <b>developing</b> [1] 67:18  <b>development</b> [4] 67:8  67:15 144:22,25  <b>diesel</b> [28] 21:23 23:20  23:21 27:11 28:1 30:3,5  30:21,23 31:24 32:3  34:16 36:3,7,7 46:20  54:9,10 70:23 71:9 72:16  73:24 75:25 76:3 93:21  119:11,12,15  <b>differ</b> [2] 117:2 132:17</p>
--	--	--	--	--

**-D-**

<p><b>difference</b> [3] 40:12 87:3 130:19</p> <p><b>different</b> [30] 2:11 3:13 4:17,21,22 5:3,25 20:2,6 35:3,7 38:1,15 43:15 48:22 60:11,11 66:2 76:4 91:24 103:10 111:17 112:13,14 120:7 123:11 129:5 154:21 159:17,17</p> <p><b>differential</b> [1] 93:24</p> <p><b>differently</b> [1] 129:10</p> <p><b>difficult</b> [3] 22:17 25:7 66:1</p> <p><b>dilemma</b> [1] 138:25</p> <p><b>direct</b> [2] 69:19 145:11</p> <p><b>direction</b> [14] 13:23,25 69:23 71:11 72:8 110:16 111:25 117:20,25 118:5 118:18 124:1 145:18 151:19</p> <p><b>directive</b> [3] 32:5 52:9 122:8</p> <p><b>directives</b> [1] 20:23</p> <p><b>directly</b> [2] 145:22 146:3</p> <p><b>disagree</b> [1] 42:13</p> <p><b>disagreed</b> [2] 100:11,12</p> <p><b>disallow</b> [1] 103:20</p> <p><b>disallowed</b> [1] 100:16</p> <p><b>discourage</b> [1] 31:20</p> <p><b>discuss</b> [3] 26:1 111:19 152:22</p> <p><b>discussed</b> [9] 1:24 9:12 11:20 13:6 14:3 70:22 90:7 123:12,15</p> <p><b>discussing</b> [4] 107:21 115:9 128:7 132:8</p> <p><b>discussion</b> [14] 9:20 25:25 31:3 42:4 65:2 109:2 122:11 123:2,24 127:16 128:15 133:10,22 136:11</p> <p><b>discussions</b> [13] 17:23 26:9 45:13 80:21 91:15 101:13 111:3,8,10 112:3 121:18 122:3 139:12</p> <p><b>disposition</b> [1] 72:23</p> <p><b>dispute</b> [2] 151:7,12</p> <p><b>disrespect</b> [1] 64:24</p> <p><b>distinction</b> [1] 105:18</p> <p><b>distinguish</b> [1] 10:15</p> <p><b>distribution</b> [7] 28:18 28:19,24 29:12 30:3,4 30:14</p> <p><b>divide</b> [1] 23:22</p> <p><b>divided</b> [1] 69:4</p> <p><b>document</b> [1] 131:3</p> <p><b>documents</b> [1] 155:18</p> <p><b>doesn't</b> [17] 5:5 6:1 7:2 7:2 10:11,19 54:12 60:17 61:15 64:2,3 70:13 75:10 76:10 77:1 91:10 167:12</p> <p><b>dollar</b> [9] 10:6 25:8 57:11 61:10,11,12 69:10 100:12 105:13</p> <p><b>dollars</b> [9] 59:21 60:9</p>	<p>120:21 123:9,15,16 130:5 131:22 135:17</p> <p><b>domestic</b> [15] 27:11 29:3 29:24 37:20 43:22 48:3 49:24 51:10 53:11 54:20 55:19 113:21,22,23 119:11</p> <p><b>done</b> [15] 12:9 13:13 17:22 81:20 86:25 87:6 90:14 124:3,5,10,20 125:18,18 132:24 146:8</p> <p><b>double</b> [2] 97:21 98:9</p> <p><b>down</b> [21] 33:24 39:20 46:14 69:22 71:2 72:11 72:15,17 74:5 75:2 76:1 80:14,16 101:20 119:8 128:12,13 137:14 148:3 165:5 166:9</p> <p><b>dramatic</b> [3] 42:9 161:4 161:8</p> <p><b>dramatically</b> [1] 35:2</p> <p><b>draw</b> [1] 74:20</p> <p><b>drawn</b> [1] 5:17</p> <p><b>drive</b> [2] 39:21 52:17</p> <p><b>driven</b> [1] 150:6</p> <p><b>driver</b> [4] 150:11,20,24 151:5</p> <p><b>drivers</b> [2] 150:12 152:6</p> <p><b>drives</b> [2] 60:17 151:5</p> <p><b>driving</b> [2] 127:19 150:1</p> <p><b>dropped</b> [1] 74:5</p> <p><b>dropping</b> [1] 153:16</p> <p><b>due</b> [6] 46:3 104:24 160:12 161:13,21 164:1</p> <p><b>during</b> [4] 74:7 100:3 134:1 166:9</p> <hr/> <p style="text-align: center;"><b>-E-</b></p> <hr/> <p><b>early</b> [5] 32:9 74:6 105:1 142:22 154:17</p> <p><b>earnings</b> [3] 75:12 77:1 77:18</p> <p><b>earth</b> [1] 141:17</p> <p><b>easiest</b> [1] 128:14</p> <p><b>easy</b> [3] 58:9 65:9 68:23</p> <p><b>economic</b> [2] 79:15 158:21</p> <p><b>economy</b> [1] 133:19</p> <p><b>education</b> [2] 11:5 81:21</p> <p><b>effect</b> [25] 16:13 45:15 53:9 55:10 57:11 58:4 61:6,10 62:2 63:1,5,18 63:20 69:10 70:2,9 75:15 91:12 110:23 112:1 154:7 160:8 161:4,8 165:24</p> <p><b>effective</b> [4] 60:17,23 89:5 161:19</p> <p><b>effectively</b> [10] 14:24 30:25 44:23 52:2,9,13 60:4 71:9 97:21 106:17</p> <p><b>efficacy</b> [2] 10:12,16</p> <p><b>efficiencies</b> [1] 153:20</p> <p><b>eh</b> [1] 35:18</p> <p><b>eight</b> [1] 59:21</p>	<p><b>either</b> [2] 10:18 67:6</p> <p><b>elasticity</b> [2] 31:8,12</p> <p><b>electrical</b> [7] 11:7 20:12 21:1 113:11,16 114:11 163:14</p> <p><b>electricity</b> [6] 46:23 59:10 60:3 110:3 111:5 111:12</p> <p><b>eliminate</b> [1] 117:17</p> <p><b>elimination</b> [1] 53:2</p> <p><b>embedded</b> [2] 20:4 31:17</p> <p><b>emerged</b> [1] 4:18</p> <p><b>employee</b> [2] 20:10 145:16</p> <p><b>employees</b> [4] 144:19 145:20 146:3,16</p> <p><b>end</b> [16] 32:13 43:18 55:14 60:11 62:9 66:13 79:4 84:1 85:25 87:19 88:2 91:4,8 98:22 99:14 99:19</p> <p><b>ended</b> [1] 2:23</p> <p><b>energy</b> [36] 28:2 29:23 29:25 30:15,17 34:1,4 36:20 39:7,7,14,15,16 49:1 51:11 52:7 54:15 54:17 59:22 60:1 77:2 119:5 120:4 148:23 156:18,18,22 157:2,3,9 157:12 158:18,20 159:1 161:8 162:19</p> <p><b>engaged</b> [2] 79:12 80:1</p> <p><b>engineer</b> [2] 11:6,7</p> <p><b>ensure</b> [2] 11:24 147:3</p> <p><b>enter</b> [2] 134:18 155:22</p> <p><b>equal</b> [1] 58:18</p> <p><b>equally</b> [1] 16:11</p> <p><b>equipment</b> [1] 30:2</p> <p><b>equivalent</b> [2] 119:5 166:23</p> <p><b>essentially</b> [1] 165:25</p> <p><b>established</b> [5] 28:2 30:6,7 91:4 150:14</p> <p><b>establishing</b> [1] 86:24</p> <p><b>estimate</b> [6] 25:19 45:9 94:8 100:23 142:2,10</p> <p><b>estimated</b> [8] 34:24 45:7 46:16 47:22 52:24 59:2 84:4 94:1</p> <p><b>estimation</b> [1] 36:6</p> <p><b>evaluate</b> [1] 96:21</p> <p><b>evaluating</b> [1] 102:18</p> <p><b>events</b> [1] 160:2</p> <p><b>eventually</b> [2] 55:18 70:7</p> <p><b>everybody</b> [2] 7:6 91:3</p> <p><b>everyday</b> [2] 43:16 62:2</p> <p><b>evidence</b> [43] 6:14,18 7:2 7:5 9:17 10:9,11,16,19 10:22,24 11:3,4,10 45:22 68:15,15 73:19 89:20 96:4,5 103:21 106:24 118:16 121:13 124:22 125:5 128:24 130:13,22</p>	<p>139:2 140:4,6,15 143:2 146:14 153:6 154:6,8,9 157:18,20 158:5</p> <p><b>exact</b> [2] 104:11 129:22</p> <p><b>examination</b> [1] 155:17</p> <p><b>example</b> [7] 27:12 31:25 42:21 47:19 104:2 109:7 113:24</p> <p><b>except</b> [3] 37:10 103:4 103:19</p> <p><b>excerpt</b> [1] 168:4</p> <p><b>excess</b> [3] 17:6 32:12 37:21</p> <p><b>exclusion</b> [1] 105:9</p> <p><b>Excuse</b> [1] 19:14</p> <p><b>executives</b> [1] 21:17</p> <p><b>exercise</b> [2] 18:11 80:4</p> <p><b>Exhibit</b> [6] 22:24 45:17 45:18 145:6,7,12</p> <p><b>existing</b> [3] 44:19,20 46:8</p> <p><b>exists</b> [3] 125:21 126:21 126:23</p> <p><b>expect</b> [4] 152:22 153:1 165:14 166:10</p> <p><b>expectation</b> [1] 149:22</p> <p><b>expected</b> [3] 3:18 129:8 161:1</p> <p><b>expenditures</b> [1] 154:18</p> <p><b>expense</b> [1] 104:21</p> <p><b>expenses</b> [1] 103:5</p> <p><b>experience</b> [4] 11:8,9 12:7 161:6</p> <p><b>experienced</b> [2] 77:16 160:21</p> <p><b>expert</b> [4] 10:3,11 12:4 130:13</p> <p><b>experts</b> [1] 128:25</p> <p><b>expire</b> [1] 55:14</p> <p><b>explain</b> [9] 20:7 56:6 63:8 65:5,22 68:9 90:6 103:17 107:8</p> <p><b>explained</b> [2] 40:5 102:11</p> <p><b>explaining</b> [1] 165:3</p> <p><b>explains</b> [1] 168:5</p> <p><b>explanation</b> [3] 152:5 164:24 165:5</p> <p><b>Exploit's</b> [3] 148:13,25 149:20</p> <p><b>explore</b> [1] 155:8</p> <p><b>expressed</b> [1] 57:11</p> <p><b>extent</b> [1] 151:4</p> <p><b>externally</b> [1] 121:19</p> <p><b>extraordinary</b> [1] 165:21</p> <hr/> <p style="text-align: center;"><b>-F-</b></p> <hr/> <p><b>facilities</b> [1] 39:18</p> <p><b>facility</b> [2] 34:16 36:11</p> <p><b>facing</b> [2] 162:15 163:1</p> <p><b>fact</b> [19] 2:5 10:14 21:4</p>	<p>28:24 52:17 59:3 88:10 95:17 97:4,4 101:4 110:22 126:21,23,24 127:11 133:7 146:24 166:25</p> <p><b>factor</b> [1] 43:9</p> <p><b>facts</b> [1] 160:4</p> <p><b>Fagan</b> [283] 1:25 2:3 8:18 9:11,20,25 13:3,5,8,15 13:21 14:15 15:5,8,11 15:17 16:2,6,16,21 17:1 17:10,14,19 18:5,16,23 19:3,5 20:15 21:9,19 22:1,8,22 23:9 24:1,8,20 25:2,9,14 26:4,15,19 27:3,7,16,23 28:6,10,15 29:22 30:16 31:7,11,16 31:22 33:7,11,21 34:17 34:23 35:4,15,20 36:5 36:25 37:4,8 38:8,12,18 38:23 40:2,10,18 41:7 41:11,18,25 42:12 44:1 44:8 46:25 47:5,11,16 50:5,17,22 51:6,15,20 52:23 53:22 54:3,7 55:2 55:8,20,25 56:5,17,23 57:5,16,25 58:8,21 59:1 59:14 60:22 61:8,20 62:5 62:13,17 63:12,19 64:5 64:10,15,19 65:8,12,24 67:22 68:6,11,18 71:21 72:7,20 73:14,18 74:24 76:5,21 78:1,3,15,19,20 79:11 80:13 82:20 83:5 83:12,18 84:3,9,15 85:5 85:10 86:4,10,15 87:22 88:15,21 89:10,17,24 90:4 91:20 92:5,14,22 93:3,14 94:11,23 95:7 95:25 96:17 97:6 98:7 98:25 100:7,20 101:7,11 102:4,17,23 103:7,22 104:1 106:4,9,25 107:10 107:15,20 108:8,16,24 109:6,17 110:5,10,17,21 111:9,14 112:6,10,20 113:4,9,19 114:8,13,24 115:13 116:1,6,10,21,23 117:7,12 118:1,9,15 119:9,22 120:5,20 121:3 121:10,23 122:2,16 123:6 124:8,18 125:1,13,22 126:1,17,22 127:5,15 129:13 131:1,7,11,17,21 132:1,5,13 133:3,11,25 134:10,20 135:5 136:3 136:21 137:8,24 138:20 139:8,20 140:22 141:4,8 142:4,14,19 143:5,10,12 153:8,12,21,25 154:4,8</p> <p><b>Fagan's</b> [1] 153:6</p> <p><b>fair</b> [9] 7:24 21:3,18 23:18 137:19 138:3 147:8 166:12 167:21</p> <p><b>fairly</b> [9] 24:21 68:24 70:18 71:5 80:24 81:23 93:6 108:1 141:19</p> <p><b>fairness</b> [1] 119:18</p> <p><b>Fall</b> [1] 159:22</p> <p><b>falls</b> [6] 67:7,7,10,19 81:11 161:19</p>
--	---	--	---	---

<p><b>familiar</b> [5] 13:16 21:13 21:13 158:7 164:15 <b>far</b> [1] 46:6 <b>February</b> [3] 48:15,16 104:12 <b>few</b> [10] 6:11 12:25 13:5 19:10 68:2 102:6 109:23 111:15 142:21 143:17 <b>figure</b> [4] 10:6 22:17,19 25:7 <b>figures</b> [2] 22:16 57:4 <b>file</b> [15] 3:24 4:5 70:3 90:18,22 91:5 93:4 102:3 102:3 110:14 113:8 136:6 140:10 141:21 165:13 <b>filed</b> [24] 4:15 7:6 20:1 26:7,8 69:15 79:4 83:4 85:22 87:10 98:20 99:12 123:10,25 139:10,15,18 139:21,24 140:17 141:7 141:20 157:20 160:5 <b>files</b> [1] 140:3 <b>filing</b> [8] 2:14 26:5 53:16 78:25 85:8 89:20 102:1 160:3 <b>final</b> [11] 7:20 15:9,10 15:15,16,25 18:1 99:16 107:22 140:17 163:20 <b>finance</b> [9] 68:14,15,19 73:19,23 98:4,9 108:11 108:19 <b>financials</b> [1] 99:22 <b>financing</b> [1] 108:6 <b>finding</b> [1] 153:20 <b>fine</b> [2] 12:11 66:11 <b>fingerprints</b> [1] 13:14 <b>finish</b> [3] 47:12 78:1 168:6 <b>finished</b> [4] 3:5 8:18,21 109:12 <b>firm</b> [2] 46:5 80:24 <b>first</b> [31] 27:24 28:1 29:20 30:6 44:10 45:3 47:12,13 48:7,17,21,23 48:25 49:2 50:6,16 51:8 51:9 60:1,4 69:2 78:23 82:18 93:5 94:12 109:23 123:23 155:24 162:23,25 163:16 <b>fish</b> [4] 119:8,13,24,25 <b>five</b> [10] 22:5,18 23:8,12 78:7 85:13 95:4 97:9 105:12 168:6 <b>flaw</b> [2] 138:7,11 <b>flawed</b> [1] 139:6 <b>flow</b> [6] 71:23 73:3,7 81:25 82:2 84:8 <b>flowed</b> [1] 70:9 <b>flowing</b> [1] 18:8 <b>flows</b> [3] 40:21 72:2,25 <b>fluidity</b> [1] 4:24 <b>focus</b> [4] 20:1,3 50:1,2 <b>focused</b> [1] 94:24 <b>follow</b> [4] 5:6 58:15 68:2 69:22</p>	<p><b>followed</b> [1] 138:15 <b>following</b> [7] 103:4 159:7 165:15,17,25 166:5 167:11 <b>forced</b> [1] 105:12 <b>Forces</b> [1] 46:15 <b>forecast</b> [26] 44:18 51:16 69:12,14 70:21 71:12 86:21 87:10 89:21,21 93:21 95:5 97:5,9,10 98:5,24 100:5 102:12,24 103:1 115:15 120:18,25 159:6,12 <b>forecasts</b> [1] 158:19 <b>forefront</b> [1] 21:17 <b>foregoing</b> [1] 169:2 <b>forever</b> [1] 17:13 <b>formally</b> [1] 138:18 <b>forum</b> [3] 43:20,24 44:2 <b>forward</b> [14] 3:19 5:11 12:5 53:12 77:19 79:18 85:15 103:11 106:22 114:5 138:23 151:6 157:8 161:11 <b>found</b> [5] 129:10 130:15 155:4,5,17 <b>fuel</b> [61] 25:17 30:1,23 31:25 32:3,15,20,21 37:23 40:15,24 46:3,20 51:22 52:3 69:3,6,14,17 69:18,25 70:17,20,23,25 71:2,6,8,12 73:20,25 75:1,25,25 76:6,9 83:16 85:3 86:6,11,21 87:1,7 87:10,25 88:12,19 89:9 89:21,22 90:2,23 91:6 91:19,21 93:2,21,23 94:3 130:6 154:1 <b>full</b> [17] 32:6 34:6 36:6 37:11 38:2 42:22 43:8 54:18,18 91:8 100:5,25 104:7 105:5,16 141:20 156:13 <b>fully</b> [3] 89:5 92:13 107:8 <b>fundamental</b> [2] 128:19 130:19 <b>fundamentally</b> [1] 35:7 <b>funded</b> [1] 55:11 <b>funding</b> [2] 52:16 53:3 <b>funds</b> [2] 52:10,15 <b>fussed</b> [1] 126:9 <b>future</b> [4] 78:23 82:2,11 161:7</p> <hr/> <p style="text-align: center;"><b>-G-</b></p> <hr/> <p><b>G2.1</b> [1] 37:12 <b>G2.10</b> [1] 33:6 <b>G2.20</b> [2] 38:7 40:9 <b>Gardiner</b> [1] 144:10 <b>gas</b> [2] 75:24 76:2 <b>gathering</b> [4] 80:3,4 90:15,20 <b>gears</b> [1] 143:19 <b>general</b> [25] 5:20 15:4 18:14 28:21 29:7 30:18</p>	<p>38:7 39:2 54:8,9,14,16 54:19 55:3 86:17 100:22 101:14 105:14 111:20 113:16 119:12 155:5 160:19 161:2 169:4 <b>generally</b> [9] 69:22 96:22 103:3,18 113:18 158:16 159:21 162:3 164:4 <b>generated</b> [1] 34:16 <b>generating</b> [1] 30:2 <b>generation</b> [3] 23:21 28:17 154:19 <b>generator</b> [1] 30:4 <b>gentleman</b> [2] 12:3,7 <b>gentlemen</b> [1] 144:3 <b>given</b> [13] 5:15 42:8 89:20 92:18 123:4 133:20 147:25 148:1 149:16 150:6 154:3,10 158:5 <b>giving</b> [4] 10:24 46:22 75:9 125:5 <b>GLYNN</b> [7] 7:16 8:5,10 9:3 78:5 143:20 155:21 <b>goes</b> [18] 18:13 39:3 43:15,18 44:7 47:20 50:15 53:9 69:21,22 70:25 71:12 72:9,11,15 72:17 76:9 165:20 <b>gone</b> [5] 17:13 64:23 74:13 76:23 99:17 <b>good</b> [6] 1:16 2:8 50:18 78:18,21 152:18 <b>Goose</b> [1] 46:15 <b>government</b> [82] 19:6 19:22 20:23 21:7 22:4 26:3,13,16,18,21 33:8 33:10,14,18 34:4,11 36:2 36:23 37:1,3,11,14,17 37:25 38:9,11 39:5 40:12 40:14,22,24 41:3 42:20 43:3,4,7 44:10,11,15,17 44:25 52:5,9,16,20 53:3 53:19 55:12 58:14 60:25 110:2,14 111:2,4,12,17 112:3,12 113:3 114:22 117:19 118:5 122:8,10 122:23 123:4,7,11 124:2 149:6,19 150:15,17,24 151:3,4,19,21 152:10,17 152:22 153:11 <b>GRA</b> [11] 10:5 15:16 16:14 17:9 50:11 51:23 52:3 53:16 68:3 88:24 117:14 <b>gradualism</b> [5] 42:5,23 43:2,3,10 <b>Grand</b> [1] 161:19 <b>Grant</b> [2] 96:1 109:9 <b>granted</b> [1] 161:15 <b>Gray</b> [5] 82:24 116:16 128:14 155:20 165:9 <b>great</b> [3] 47:19 67:5,11 <b>Greene</b> [137] 3:6 78:6,15 78:17,21,22 80:11 82:14 82:22 83:1,7,14,20 84:6 84:11,17 85:20 86:8,12</p>	<p>87:12 88:9,17 89:7,12 89:19 90:1 91:17 92:2,7 92:16,24 93:8 94:6,15 95:2,9 96:10,25 98:2,10 99:23 100:18 101:1,9,23 102:9,20,25 103:14,24 105:25 106:6,21 107:6 107:12,17 108:4,12,22 109:1,15,19 110:7,12,19 111:1,11 112:2,8,18,23 113:6,15 114:3,10,19 115:1,16 116:3,8,14,17 116:18,25 117:9,21 118:3 118:11,20 119:16 120:2 120:9,22 121:5,12,25 122:14,18 123:21 124:11 124:21 125:4,16,24 126:6 126:20 127:3,10 128:8 130:10 131:5,9,14,19,24 132:3,7,22 133:5,21 134:4,17,22 136:8,23 137:13 138:1,24 139:17 140:14,25 141:6,23 142:11,16,24 143:7 <b>grey</b> [1] 156:10 <b>ground</b> [1] 26:24 <b>grounds</b> [1] 6:21 <b>group</b> [8] 66:4,5 112:22 144:2 158:21 160:14 161:9 162:7 <b>groups</b> [3] 4:22 21:6 66:3 <b>growing</b> [1] 121:19 <b>grown</b> [2] 130:5,6 <b>guarantee</b> [1] 148:9 <b>guess</b> [20] 3:7 7:19 20:24 30:12 35:25 43:19 44:6 56:15 61:25 63:4 74:20 75:23 87:13 94:7 104:20 136:9,12 138:25 139:24 149:25 <b>guidance</b> [2] 144:19 145:19 <b>guys</b> [2] 67:18 143:13</p> <hr/> <p style="text-align: center;"><b>-H-</b></p> <hr/> <p><b>half</b> [4] 41:21 78:7 97:12 105:10 <b>halls</b> [2] 119:7,11 <b>handle</b> [1] 22:14 <b>happening</b> [1] 158:13 <b>happy</b> [1] 12:13 <b>Harbour</b> [2] 127:20,23 <b>hasten</b> [1] 164:14 <b>HAYES</b> [1] 35:11 <b>heads</b> [1] 26:3 <b>hear</b> [4] 96:4,4 142:12 143:2 <b>heard</b> [6] 5:7 20:16 83:21 96:4 121:13 169:5 <b>hearing</b> [18] 2:10,18 3:6 6:13 7:4 11:21 12:18 14:1,3 15:25 16:1 83:21 103:21 110:14 114:6 117:24 129:11 169:3 <b>hearings</b> [2] 19:6 137:10 <b>help</b> [4] 113:7 136:19</p>	<p>147:16 150:11 <b>helpful</b> [1] 19:17 <b>helps</b> [1] 146:15 <b>Henderson</b> [52] 2:20,24 5:15 8:12,17 73:21 77:12 121:14 144:2,10,25 145:2 145:23,24 146:5 147:1 148:13,15 149:24 150:13 151:1,17 152:7,15,25 153:4 154:10,14 155:7 156:1,12,17 157:1,16,23 158:2,9,14 159:8,20 160:16 162:2,8 163:6 164:3,16,18 166:13,18 167:1,17,22 <b>Henderson's</b> [1] 3:2 <b>hereby</b> [1] 169:2 <b>hesitate</b> [1] 119:23 <b>high</b> [7] 24:22 35:16 62:25 70:18 71:22 81:23 108:1 <b>higher</b> [17] 30:22,22 31:20 33:15 38:17 39:11 39:13 48:18 49:17,22 61:1 88:8 97:15 98:23 131:6,8,16 <b>highest</b> [1] 49:14 <b>highly</b> [1] 4:23 <b>himself</b> [1] 12:5 <b>historical</b> [1] 27:24 <b>historically</b> [2] 29:6 140:2 <b>hold</b> [1] 7:2 <b>Holyrood</b> [8] 104:2,4,6 104:8,14 105:1,6,17 <b>honour</b> [1] 144:4 <b>hope</b> [1] 92:25 <b>Hopedale</b> [1] 22:6 <b>hopefully</b> [2] 80:6 94:12 <b>hoping</b> [1] 148:9 <b>hour</b> [15] 24:23 29:18 32:1,2,5 35:2 39:9 48:17 51:21 59:15,23 60:7 78:8 149:7 150:12 <b>hours</b> [10] 12:25 48:22 49:1,2 60:5 62:23 69:4,9 155:2 156:3 <b>HR</b> [3] 144:13,15 147:14 <b>hydraulic</b> [1] 149:2 <b>hydraulics</b> [1] 82:7 <b>Hydro</b> [141] 1:19 2:5,7 2:10,14 3:11,15 4:2 5:13 5:18 6:22 7:7,25 10:18 13:10,13 14:7 16:9 17:7 17:17 20:10 21:17 23:20 26:5,6 33:23 45:5,13 46:11 47:24 52:15 53:19 60:14 61:4,14 69:15 70:1 71:1,6,7,11 74:2,7,14 75:11,19,19 76:10,10,25 77:5 78:24 79:9 80:2 82:3,16 83:8 84:24,25 85:21 87:6 88:18 90:2 90:13 91:5 92:25 97:8 97:13,18,22 98:15 99:4 99:13 100:11 101:12</p>
--	---	--	--	---

<p>105:4,11 106:1,7,12,18 106:20 107:7,19 108:13 108:17 109:4 111:3,16 112:5 113:23 114:5,21 117:10,13,17,24 118:16 121:17 122:9 123:25 124:3,12 129:17 131:4,6 135:1 137:10,18 139:10 143:3 144:21 145:6,22 146:25 147:21 148:22 149:16,21 151:8 153:23 154:3,15,18,23 155:9,14 160:5,12 161:20,21 162:5 163:2,24 165:1,3,13,20 166:7 167:10,20</p> <p><b>Hydro's</b><sup>[41]</sup> 2:3,21,25 5:25 6:18 7:20 9:23 10:6 40:21 47:18 52:11 53:1 58:11,11,22 61:21,22 73:4,23 83:3 86:13 87:16 91:18 92:12 96:2,5 98:4 99:13 100:17 102:11 110:4 124:16 134:25 136:11,14 137:4 151:13 151:14 167:23 168:4 169:4</p> <p><b>hydroelectric</b> <sup>[1]</sup> 67:19</p>	<p><b>important</b> <sup>[3]</sup> 66:21 133:8,13</p> <p><b>imposed</b> <sup>[1]</sup> 151:14</p> <p><b>imposing</b> <sup>[1]</sup> 152:17</p> <p><b>impossible</b> <sup>[1]</sup> 65:5</p> <p><b>impression</b> <sup>[1]</sup> 88:4</p> <p><b>imprudent</b> <sup>[1]</sup> 97:3</p> <p><b>IN-NLH-004</b> <sup>[1]</sup> 26:25</p> <p><b>inappropriate</b> <sup>[2]</sup> 17:3 138:17</p> <p><b>incentive</b> <sup>[1]</sup> 32:24</p> <p><b>include</b> <sup>[2]</sup> 70:7 149:17</p> <p><b>included</b> <sup>[2]</sup> 86:2 97:20</p> <p><b>includes</b> <sup>[2]</sup> 53:16,17</p> <p><b>including</b> <sup>[4]</sup> 1:20 63:22 91:15 162:16</p> <p><b>income</b> <sup>[3]</sup> 91:25 103:10 105:24</p> <p><b>increase</b> <sup>[58]</sup> 14:22 40:8 41:2,14,15,21,22 42:6 42:25 44:24 45:7 46:16 47:24 48:8,10 49:2,7,11 49:16,22 51:16 52:6,10 52:13 53:4,6,7,11,15,21 55:3,11 56:14 57:21 58:2 60:15,18,20 61:6,21,22 62:11,25 63:6 72:9 77:1 83:10,22 84:13 85:16 87:17 88:5 92:20 108:19 149:5,18 150:25 151:13</p> <p><b>increased</b> <sup>[6]</sup> 51:22 77:2 77:6,14 99:11 130:7</p> <p><b>increases</b> <sup>[5]</sup> 42:23 49:4 52:3 82:16 84:20</p> <p><b>increasing</b> <sup>[3]</sup> 77:4 128:23 130:9</p> <p><b>increments</b> <sup>[1]</sup> 42:6</p> <p><b>incur</b> <sup>[2]</sup> 71:7 75:14</p> <p><b>incurred</b> <sup>[8]</sup> 32:16 74:2 96:14 97:11,14,23 133:17 145:13</p> <p><b>incurring</b> <sup>[2]</sup> 74:15 105:13</p> <p><b>indefinitely</b> <sup>[1]</sup> 163:13</p> <p><b>indexing</b> <sup>[3]</sup> 13:18 14:2 14:5</p> <p><b>indicate</b> <sup>[2]</sup> 88:6 158:22</p> <p><b>indicated</b> <sup>[10]</sup> 5:7 10:2 65:25 78:6 84:19 94:17 132:14 140:16 142:1 161:21</p> <p><b>indicates</b> <sup>[1]</sup> 161:15</p> <p><b>indicating</b> <sup>[2]</sup> 11:25 158:20</p> <p><b>indication</b> <sup>[3]</sup> 25:6 123:18 159:13</p> <p><b>individual</b> <sup>[1]</sup> 36:17</p> <p><b>industrial</b> <sup>[39]</sup> 1:21 6:21 11:8 14:4,8 38:21,24 81:7 84:13 89:1 90:8,12 90:17,23 91:1,13 92:21 93:13 108:14 147:22 153:15,18 155:10 158:7 159:5,17 160:8,11,14 161:9,14,24 162:7 164:10</p>	<p>165:12,19 166:25 167:2 167:9</p> <p><b>industry</b> <sup>[2]</sup> 160:19 164:6</p> <p><b>infamous</b> <sup>[1]</sup> 22:12</p> <p><b>information</b> <sup>[28]</sup> 7:8 18:7,17 80:3,5,7 81:12 88:6,11 90:15,20 91:14 92:9 93:16,23,25 94:8 107:2 108:3 124:6,13,17 126:5 129:9,16 134:1 155:22 158:24</p> <p><b>informed</b> <sup>[1]</sup> 123:10</p> <p><b>initiated</b> <sup>[1]</sup> 18:12</p> <p><b>Innu</b> <sup>[1]</sup> 59:8</p> <p><b>Innu-004</b> <sup>[1]</sup> 48:3</p> <p><b>inquiry</b> <sup>[2]</sup> 42:16 133:14</p> <p><b>Instead</b> <sup>[1]</sup> 2:7</p> <p><b>institutions</b> <sup>[1]</sup> 42:21</p> <p><b>intended</b> <sup>[2]</sup> 149:5 151:24</p> <p><b>interconnected</b> <sup>[25]</sup> 46:14,17 47:10,17 59:20 62:24 63:24 113:24 114:15,22 115:2,8,24 116:5 117:4 118:14,22 119:14 122:6 123:14 125:6,8 126:11 127:12 129:4</p> <p><b>interconnection</b> <sup>[2]</sup> 79:22 82:1</p> <p><b>interest</b> <sup>[1]</sup> 122:19</p> <p><b>interested</b> <sup>[1]</sup> 33:16</p> <p><b>interim</b> <sup>[16]</sup> 7:22 15:12 15:13 41:19 42:1 84:25 88:13 89:15 99:3,4,10 100:22,24 160:7 161:13 161:13</p> <p><b>internal</b> <sup>[4]</sup> 17:23 122:3 122:11,15</p> <p><b>internally</b> <sup>[1]</sup> 121:18</p> <p><b>international</b> <sup>[1]</sup> 161:22</p> <p><b>interpret</b> <sup>[1]</sup> 114:2</p> <p><b>interpreted</b> <sup>[2]</sup> 166:2,3</p> <p><b>intervenor</b> <sup>[1]</sup> 10:18</p> <p><b>intimately</b> <sup>[1]</sup> 164:19</p> <p><b>intuitively</b> <sup>[1]</sup> 128:4</p> <p><b>Inuit</b> <sup>[3]</sup> 20:13 21:4,14</p> <p><b>investment</b> <sup>[3]</sup> 77:3,6 77:11</p> <p><b>investments</b> <sup>[1]</sup> 82:6</p> <p><b>involved</b> <sup>[4]</sup> 121:18 122:21 123:3,8</p> <p><b>involvement</b> <sup>[2]</sup> 21:15 94:18</p> <p><b>involves</b> <sup>[2]</sup> 9:10,14</p> <p><b>island</b> <sup>[27]</sup> 24:15 46:14 46:17 47:17 50:24 62:24 82:8 113:23 114:14 115:2 115:7,23 117:4 118:13 118:21 119:13 120:24 122:6 125:6,8 126:10 127:12 129:3 133:15 147:22 160:8,11</p> <p><b>isolate</b> <sup>[1]</sup> 41:16</p>	<p><b>isolated</b> <sup>[45]</sup> 21:23 23:1 23:1,2,12,13 24:2,4,11 24:21 25:11,18 27:9,15 32:3,7 33:6,24 34:11,16 34:25 45:2 47:7,13 48:9 49:20 50:24 51:25 59:4 62:21 63:21 65:17 67:25 68:4 69:11,19 71:17 72:3 72:18 73:7 75:8 114:18 118:22 119:2 120:24</p> <p><b>issue</b> <sup>[25]</sup> 3:3 4:20 5:2,12 5:16,24 6:5 8:6,11 9:14 12:8 13:18 15:4 26:1 66:13 67:3 106:17,19 121:17 128:9 135:1 137:7 137:9 149:12 154:21</p> <p><b>issued</b> <sup>[2]</sup> 118:5 123:1</p> <p><b>issues</b> <sup>[10]</sup> 2:20 4:25 66:23 103:6 111:17,18 111:19 112:12 140:2 147:20</p> <p><b>it'll</b> <sup>[2]</sup> 50:20 102:5</p> <p><b>italicized</b> <sup>[1]</sup> 168:3</p> <p><b>italics</b> <sup>[1]</sup> 165:3</p> <p><b>item</b> <sup>[5]</sup> 89:3 108:18 127:18 139:9 142:20</p> <p><b>items</b> <sup>[5]</sup> 42:17 100:1,9 100:11 108:19</p> <p><b>itself</b> <sup>[5]</sup> 28:16 30:6 43:6 106:16 160:1</p>	<p>30:12 32:1,2,4 35:2,10 39:9,9,10 48:17,22,25 49:2 51:21 59:15,23 60:5 60:7 62:22 69:4,9 149:7 150:12</p> <p><b>kilowatts</b> <sup>[4]</sup> 36:10,13 36:18 39:4</p> <p><b>kind</b> <sup>[4]</sup> 10:20 19:19 27:21 30:14</p> <p><b>knew</b> <sup>[5]</sup> 160:17,23 163:18,18 164:4</p> <p><b>knowing</b> <sup>[1]</sup> 87:25</p> <p><b>knowledge</b> <sup>[7]</sup> 114:23 121:17 124:4 145:1,3 155:9 161:2</p> <p><b>known</b> <sup>[1]</sup> 162:20</p> <p><b>Kruger</b> <sup>[1]</sup> 156:9</p>
<p><b>-I-</b></p>		<p><b>-J-</b></p>		
<p><b>idea</b> <sup>[4]</sup> 31:15 42:5 65:22 68:4</p> <p><b>ideas</b> <sup>[1]</sup> 65:18</p> <p><b>identical</b> <sup>[1]</sup> 167:3</p> <p><b>identified</b> <sup>[3]</sup> 6:22 109:4 126:25</p> <p><b>identify</b> <sup>[1]</sup> 66:11</p> <p><b>identifying</b> <sup>[2]</sup> 66:14 127:17</p> <p><b>idling</b> <sup>[2]</sup> 157:6 163:12</p> <p><b>ignore</b> <sup>[1]</sup> 97:4</p> <p><b>III</b> <sup>[2]</sup> 12:15,20</p> <p><b>illicit</b> <sup>[1]</sup> 149:15</p> <p><b>illuminate</b> <sup>[1]</sup> 150:23</p> <p><b>imminent</b> <sup>[1]</sup> 160:13</p> <p><b>impact</b> <sup>[26]</sup> 2:13 45:9 52:24 54:20 57:7 58:22 59:2 60:12,23 84:25 89:14 94:1 104:19 105:13 107:2,23 111:22 121:8 122:24 123:16 130:8,15 131:13,15 141:9,14</p> <p><b>impacted</b> <sup>[2]</sup> 70:10 157:3</p> <p><b>impacts</b> <sup>[12]</sup> 3:21 17:21 18:8,18 54:8 61:11 87:8 93:17 140:11,23 141:18 162:18</p> <p><b>implementation</b> <sup>[6]</sup> 3:15,23 99:9 104:10,22 104:25</p> <p><b>implemented</b> <sup>[4]</sup> 10:5 52:8,17 99:5</p> <p><b>implementing</b> <sup>[1]</sup> 100:22</p> <p><b>implications</b> <sup>[4]</sup> 124:2 124:7 140:20 141:3</p> <p><b>importance</b> <sup>[1]</sup> 128:20</p>	<p><b>idea</b> <sup>[4]</sup> 31:15 42:5 65:22 68:4</p> <p><b>ideas</b> <sup>[1]</sup> 65:18</p> <p><b>identical</b> <sup>[1]</sup> 167:3</p> <p><b>identified</b> <sup>[3]</sup> 6:22 109:4 126:25</p> <p><b>identify</b> <sup>[1]</sup> 66:11</p> <p><b>identifying</b> <sup>[2]</sup> 66:14 127:17</p> <p><b>idling</b> <sup>[2]</sup> 157:6 163:12</p> <p><b>ignore</b> <sup>[1]</sup> 97:4</p> <p><b>III</b> <sup>[2]</sup> 12:15,20</p> <p><b>illicit</b> <sup>[1]</sup> 149:15</p> <p><b>illuminate</b> <sup>[1]</sup> 150:23</p> <p><b>imminent</b> <sup>[1]</sup> 160:13</p> <p><b>impact</b> <sup>[26]</sup> 2:13 45:9 52:24 54:20 57:7 58:22 59:2 60:12,23 84:25 89:14 94:1 104:19 105:13 107:2,23 111:22 121:8 122:24 123:16 130:8,15 131:13,15 141:9,14</p> <p><b>impacted</b> <sup>[2]</sup> 70:10 157:3</p> <p><b>impacts</b> <sup>[12]</sup> 3:21 17:21 18:8,18 54:8 61:11 87:8 93:17 140:11,23 141:18 162:18</p> <p><b>implementation</b> <sup>[6]</sup> 3:15,23 99:9 104:10,22 104:25</p> <p><b>implemented</b> <sup>[4]</sup> 10:5 52:8,17 99:5</p> <p><b>implementing</b> <sup>[1]</sup> 100:22</p> <p><b>implications</b> <sup>[4]</sup> 124:2 124:7 140:20 141:3</p> <p><b>importance</b> <sup>[1]</sup> 128:20</p>	<p><b>January</b> <sup>[14]</sup> 19:9,24 48:15 90:8,14 91:6,11 91:13 93:12 104:11 161:16 162:13 163:2 165:24</p> <p><b>John's</b> <sup>[2]</sup> 169:7,10</p> <p><b>Johnson</b> <sup>[27]</sup> 1:14,15 5:13 6:3 7:21,23 9:11,12 9:19,25 11:20,23 12:17 42:4 65:2 74:21 125:7 135:5 153:8,12,21 154:2 154:13 155:2 156:4,14 163:16</p> <p><b>Johnson's</b> <sup>[5]</sup> 5:14 6:15 8:11,16 17:20</p> <p><b>Judy</b> <sup>[2]</sup> 169:2,12</p> <p><b>July</b> <sup>[9]</sup> 40:20,23 41:20 51:24 72:22 85:2,11 90:11 99:10</p> <p><b>June</b> <sup>[2]</sup> 79:7 160:3</p> <p><b>jurisdiction</b> <sup>[1]</sup> 131:10</p> <p><b>jurisdictions</b> <sup>[8]</sup> 99:2 101:3 124:15,19,25 130:17,19,25</p>	<p><b>lack</b> <sup>[1]</sup> 2:25</p> <p><b>laid</b> <sup>[1]</sup> 10:25</p> <p><b>Lake</b> <sup>[1]</sup> 127:19</p> <p><b>Land</b> <sup>[1]</sup> 20:13</p> <p><b>large</b> <sup>[5]</sup> 4:24 43:1 71:5 80:24 156:10</p> <p><b>larger</b> <sup>[3]</sup> 39:4 128:5 131:12</p> <p><b>last</b> <sup>[7]</sup> 41:5,10 79:17 101:13 122:1,24 134:23</p> <p><b>late</b> <sup>[3]</sup> 19:23 32:8 104:11</p> <p><b>latter</b> <sup>[1]</sup> 97:11</p> <p><b>leading</b> <sup>[1]</sup> 11:5</p> <p><b>least</b> <sup>[8]</sup> 21:7 43:7 50:20 67:4,11 75:24 166:6 167:15</p> <p><b>left</b> <sup>[2]</sup> 33:4 153:23</p> <p><b>legal</b> <sup>[1]</sup> 15:13</p> <p><b>length</b> <sup>[1]</sup> 14:3</p> <p><b>lengthy</b> <sup>[2]</sup> 11:8,8</p> <p><b>less</b> <sup>[12]</sup> 12:2 14:13 34:20 75:11 87:9 88:6 119:4 133:16 141:14 159:1 161:17 166:10</p> <p><b>letters</b> <sup>[1]</sup> 134:12</p> <p><b>level</b> <sup>[9]</sup> 20:7 84:2 85:19 85:25 87:20 108:2 120:7 122:15 162:17</p> <p><b>levels</b> <sup>[2]</sup> 128:23 154:17</p> <p><b>Liberty</b> <sup>[1]</sup> 97:17</p> <p><b>library</b> <sup>[2]</sup> 116:2 117:3</p> <p><b>lieu</b> <sup>[1]</sup> 53:20</p> <p><b>life</b> <sup>[1]</sup> 30:13</p> <p><b>life's</b> <sup>[1]</sup> 58:9</p>	
<p><b>-K-</b></p>		<p><b>-K-</b></p>		
<p><b>keep</b> <sup>[4]</sup> 39:19 124:19 146:9,10</p> <p><b>KEVIN</b> <sup>[3]</sup> 13:3 19:3 78:15</p> <p><b>kigawatt</b> <sup>[2]</sup> 155:2 156:3</p> <p><b>kigawatts</b> <sup>[2]</sup> 156:11 157:15</p> <p><b>kilowatt</b> <sup>[25]</sup> 24:23 29:18</p>	<p><b>keep</b> <sup>[4]</sup> 39:19 124:19 146:9,10</p> <p><b>KEVIN</b> <sup>[3]</sup> 13:3 19:3 78:15</p> <p><b>kigawatt</b> <sup>[2]</sup> 155:2 156:3</p> <p><b>kigawatts</b> <sup>[2]</sup> 156:11 157:15</p> <p><b>kilowatt</b> <sup>[25]</sup> 24:23 29:18</p>	<p><b>keep</b> <sup>[4]</sup> 39:19 124:19 146:9,10</p> <p><b>KEVIN</b> <sup>[3]</sup> 13:3 19:3 78:15</p> <p><b>kigawatt</b> <sup>[2]</sup> 155:2 156:3</p> <p><b>kigawatts</b> <sup>[2]</sup> 156:11 157:15</p> <p><b>kilowatt</b> <sup>[25]</sup> 24:23 29:18</p>	<p><b>keep</b> <sup>[4]</sup> 39:19 124:19 146:9,10</p> <p><b>KEVIN</b> <sup>[3]</sup> 13:3 19:3 78:15</p> <p><b>kigawatt</b> <sup>[2]</sup> 155:2 156:3</p> <p><b>kigawatts</b> <sup>[2]</sup> 156:11 157:15</p> <p><b>kilowatt</b> <sup>[25]</sup> 24:23 29:18</p>	

<p><b>lifeline</b> [10] 32:17 37:19 52:7 54:12,14 57:10 59:6 63:24 64:9,14</p> <p><b>light</b> [2] 2:25 3:25</p> <p><b>likely</b> [1] 141:13</p> <p><b>Limited</b> [2] 163:11 164:11</p> <p><b>line</b> [15] 9:13,18 29:17 109:25 127:18 135:13 136:17 137:5,14 138:4 145:14 147:18 153:5,13 154:12</p> <p><b>lines</b> [9] 30:1 51:9 95:12 98:13 110:1 127:17 130:1 135:3 145:13</p> <p><b>list</b> [2] 80:5 117:1</p> <p><b>listening</b> [2] 98:17 138:25</p> <p><b>lists</b> [1] 127:22</p> <p><b>literally</b> [1] 78:1</p> <p><b>litre</b> [4] 73:24,25 74:13 74:14</p> <p><b>live</b> [1] 10:5</p> <p><b>living</b> [1] 134:6</p> <p><b>load</b> [20] 36:17 119:14 153:9,14,16 154:16,20 154:22,24 155:9 156:5,8 159:6 160:13,14 161:14 162:7 163:5,14,25</p> <p><b>logical</b> [1] 6:15</p> <p><b>longer</b> [3] 78:7 99:18 162:24</p> <p><b>look</b> [38] 14:16 26:25 27:19 33:3 36:14 38:5 43:16 54:11,13 56:24 57:18 61:11 62:10 63:3 66:22 68:25 69:1,1,2,3 76:16 77:6,14 85:5 88:14 89:13 97:7,8 101:17,17 103:11,15 115:3 120:11 129:24 136:15 137:7 146:23</p> <p><b>looked</b> [12] 24:9 35:8 39:13 42:18 48:1 54:11 59:7 63:2 85:9 86:17 136:12,24</p> <p><b>looking</b> [15] 41:15 62:18 76:15 77:15 84:12 90:13 93:20 95:18 96:15 97:5 98:19 99:2,15 100:21 103:9</p> <p><b>looks</b> [3] 74:14 129:23 130:4</p> <p><b>lost</b> [1] 64:20</p> <p><b>Loup</b> [4] 63:22 122:4,7 122:12</p> <p><b>lower</b> [17] 59:20,22,24 60:7 61:2,13 62:24 70:23 71:3,5 72:1 77:8 115:21 119:19 131:13,15 134:8</p> <p><b>LUK</b> [1] 4:12</p> <p><b>lurch</b> [1] 153:23</p> <hr/> <p style="text-align: center;"><b>-M-</b></p> <hr/> <p><b>M</b> [5] 9:21 13:8 14:23,25 137:12</p>	<p><b>machine</b> [2] 163:13,22</p> <p><b>machines</b> [4] 155:7 156:20 157:4,6</p> <p><b>madam</b> [3] 1:5 19:2 78:14</p> <p><b>magnitude</b> [10] 121:8 121:15 123:5,7,16 124:6 128:19 129:6,7 133:23</p> <p><b>maintaining</b> [1] 117:20</p> <p><b>major</b> [1] 141:15</p> <p><b>makes</b> [2] 66:1 87:5</p> <p><b>Makkovik</b> [1] 22:7</p> <p><b>mall</b> [2] 36:14,15</p> <p><b>manage</b> [2] 39:17 77:13</p> <p><b>managed</b> [1] 43:20</p> <p><b>management</b> [2] 1:10 96:6</p> <p><b>manager</b> [5] 2:4 101:14 111:7 139:3 158:1</p> <p><b>March</b> [4] 70:5 79:6 99:7 161:20</p> <p><b>margin</b> [1] 32:15</p> <p><b>marginal</b> [8] 20:4 31:17 79:3,12,14,18 80:8 81:13</p> <p><b>market</b> [2] 161:22 163:1</p> <p><b>markets</b> [3] 161:2,21,23</p> <p><b>Martin</b> [2] 77:12 121:14</p> <p><b>material</b> [5] 54:21,21 54:22 75:17 106:19</p> <p><b>materially</b> [1] 77:8</p> <p><b>math</b> [1] 50:7</p> <p><b>mathematical</b> [1] 44:23</p> <p><b>matrix</b> [1] 147:21</p> <p><b>matter</b> [11] 6:8 7:15 9:4 9:7 11:9 39:1 96:16 98:21 122:22 167:9 169:3</p> <p><b>matters</b> [3] 1:14 4:8 9:16</p> <p><b>MAUREEN</b> [1] 78:15</p> <p><b>maximum</b> [1] 75:12</p> <p><b>may</b> [39] 6:16 15:12 21:22 24:22 29:3 32:1 36:13 45:19 48:20,21 60:8 62:21 72:17,18 73:21 75:16 88:4 91:23 92:11 93:10 98:3,22 100:3 101:5 102:1 104:25 105:19,20 112:16 113:14 119:1 126:2 127:25 128:3 128:4 138:18 148:2 157:6 165:22</p> <p><b>mean</b> [12] 6:1,16 7:4 12:1 18:11 20:5 62:19 86:17 97:3 106:13 115:20 153:16</p> <p><b>means</b> [4] 111:5,13 158:23 169:8</p> <p><b>meant</b> [2] 158:20 162:6</p> <p><b>mechanism</b> [5] 51:24 69:24 70:16 81:19 146:10</p> <p><b>mechanisms</b> [2] 79:7 82:10</p> <p><b>media</b> [3] 83:21 87:18 163:19</p> <p><b>meet</b> [3] 81:17 82:12</p>	<p>159:1</p> <p><b>meeting</b> [2] 111:16 112:13</p> <p><b>meetings</b> [1] 80:2</p> <p><b>memory</b> [2] 133:22 149:10</p> <p><b>men</b> [1] 144:4</p> <p><b>mention</b> [1] 20:17</p> <p><b>mentioned</b> [18] 21:5 30:19 33:25 34:18 46:1 46:10 51:23 53:15 67:1 85:23 88:24 103:8 115:17 118:16 132:8 133:6 136:4 142:25</p> <p><b>mentioning</b> [1] 11:24</p> <p><b>merit</b> [1] 137:22</p> <p><b>message</b> [2] 30:24 66:3</p> <p><b>met</b> [1] 67:24</p> <p><b>meter</b> [1] 28:22</p> <p><b>meters</b> [2] 28:22 29:9</p> <p><b>methodology</b> [17] 2:3 2:10,12 3:16,18 4:16 10:4 15:19,21 58:19 79:16 80:14,17,19 81:14 138:5,16</p> <p><b>mic</b> [1] 19:14</p> <p><b>mid</b> [4] 73:25 74:14 126:3 129:23</p> <p><b>middle</b> [1] 167:12</p> <p><b>might</b> [11] 4:13 11:13 22:16 25:6 35:21 43:13 50:20 68:20 129:2,3 142:8</p> <p><b>mill</b> [6] 160:22 161:19 162:14,17,18 167:7</p> <p><b>million</b> [8] 23:3,15 24:16 95:6 97:20 98:6 105:12 120:21</p> <p><b>mills</b> [3] 154:1 160:23 162:16</p> <p><b>mind</b> [2] 21:7 140:5</p> <p><b>Mine</b> [1] 110:22</p> <p><b>Minister</b> [2] 26:9,10</p> <p><b>minority</b> [1] 21:5</p> <p><b>minus</b> [1] 68:24</p> <p><b>minutes</b> [3] 78:7 143:18 168:7</p> <p><b>misleading</b> [1] 61:10</p> <p><b>misunderstood</b> [1] 93:9</p> <p><b>moment</b> [6] 56:24 98:14 116:21 124:15 140:24 156:1</p> <p><b>Monday</b> [1] 142:22</p> <p><b>money</b> [1] 75:13</p> <p><b>monies</b> [1] 153:14</p> <p><b>months</b> [6] 48:15 95:4,5 97:9,10 163:10</p> <p><b>Moore</b> [2] 23:20 144:10</p> <p><b>morning</b> [11] 1:17 4:7 78:18,21 84:7 118:25 136:4 138:11,19 140:16 155:15</p> <p><b>Moss</b> [2] 169:2,12</p> <p><b>most</b> [10] 30:2 75:18 88:5</p>	<p>89:5 93:20 126:15 132:14 132:18 133:17 166:19</p> <p><b>mostly</b> [1] 104:20</p> <p><b>move</b> [9] 77:24 118:13 118:21 148:12 153:3 159:24 162:11 163:9 165:5</p> <p><b>moved</b> [1] 30:19</p> <p><b>Moving</b> [1] 134:23</p> <p><b>Ms</b> [134] 1:6 3:6 7:16 8:5 8:10 9:3 19:3,4,16,20 21:2,11,21 22:3,10 23:7 23:16 24:5,18,25 25:4 25:12,23 26:12,17,22 27:5,10,18 28:4,8,12 29:15 30:10 31:2,9,14 31:18 32:25 33:9,13 34:13,21 35:1,6,13,17 35:23 36:22 37:2,6 38:4 38:10,14,20 39:24 40:4 40:16 41:4,9,13,23 42:2 43:11 44:3 46:18 47:3,9 47:14 49:25 50:9,19 51:3 51:13,18 52:19 53:14,24 54:5,25 55:6,16,23 56:3 56:7,19,25 57:14,23 58:6 58:17,24 59:12 60:19 61:5,18,24 62:7,15 63:7 63:15 64:1,7,12,17,22 65:10,14 66:24 68:1,8 68:16 71:15 72:5,12 73:10,16 74:19 75:22 76:13 77:20 78:5,6,21 82:24 112:22 116:16,17 118:24 128:13 143:20 155:20,21 165:9</p> <p><b>multiply</b> [1] 69:8</p> <p><b>Muskrat</b> [3] 67:7,10 81:11</p> <p><b>must</b> [1] 5:8</p> <hr/> <p style="text-align: center;"><b>-N-</b></p> <hr/> <p><b>Nain</b> [5] 22:6 23:5,6,8 46:23</p> <p><b>Nalcor</b> [4] 144:19 145:19 146:3,16</p> <p><b>Nalcor's</b> [1] 151:15</p> <p><b>narrative</b> [1] 165:2</p> <p><b>National</b> [1] 79:15</p> <p><b>natural</b> [2] 26:9 133:9</p> <p><b>nature</b> [1] 14:14</p> <p><b>necessarily</b> [3] 5:6 75:10 91:3</p> <p><b>necessary</b> [4] 10:25,25 89:4 135:24</p> <p><b>need</b> [11] 7:13 95:13 98:22 101:16,18 103:11 105:20 118:23 135:12,22 135:24</p> <p><b>needs</b> [1] 6:1</p> <p><b>negotiation</b> [1] 139:16</p> <p><b>negotiations</b> [1] 80:18</p> <p><b>neighbourhood</b> [3] 29:4 60:6 85:13</p> <p><b>NERA</b> [1] 79:15</p> <p><b>net</b> [4] 45:15 91:25</p>	<p>103:10 105:24</p> <p><b>never</b> [2] 97:20 114:5</p> <p><b>new</b> [13] 3:16 10:4 19:8 44:13,14 66:14 68:4 73:13 87:10 89:21 124:22 137:6 168:6</p> <p><b>Newfoundland</b> [75] 14:20 21:6,24,25 26:1 28:3 30:8 35:21 37:18 37:20,22 40:20 45:6,8 45:10,11,16,25 46:7,10 46:23 47:20,21 48:6 49:3 49:6,10,14,16,17 52:20 56:15 57:6 58:3 59:16 59:18 66:7,9,16 67:2,12 70:11 72:24 73:3 79:24 83:9 85:17,24 90:12 92:20 113:22 123:13 124:24 125:11,21 126:3 126:13 127:7,8 128:2 129:1,5,6,17,18,21 130:18 132:15 134:14 141:15 142:3,6 169:4,7 169:10</p> <p><b>next</b> [26] 1:13 15:15,16 15:25 16:14 17:8 29:17 30:11,12 31:21 33:1,3 38:5 69:25 70:13 79:5 80:6 87:11 99:16 101:24 102:6 103:13 105:14,14 115:7 134:7</p> <p><b>nice</b> [1] 22:18</p> <p><b>nine</b> [1] 95:12</p> <p><b>NLH-035</b> [1] 120:24</p> <p><b>NLH-NP</b> [1] 129:14</p> <p><b>non</b> [5] 37:16 38:25 40:21 52:6 57:9</p> <p><b>non-fish</b> [1] 120:3</p> <p><b>non-government</b> [1] 37:10</p> <p><b>non-lifeline</b> [8] 51:10 51:19 53:5,6 54:23 57:22 60:15 64:4</p> <p><b>nonetheless</b> [1] 154:22</p> <p><b>normal</b> [4] 49:19 82:8 159:9 160:9</p> <p><b>normally</b> [5] 55:10 90:22 104:13 134:18,21</p> <p><b>North</b> [1] 14:21</p> <p><b>Northern</b> [16] 47:19 56:2 58:10 59:6,23 60:13 60:16,24 61:3,16 62:20 63:2,9 64:3,13 65:16</p> <p><b>note</b> [1] 127:21</p> <p><b>noted</b> [1] 128:18</p> <p><b>nothing</b> [6] 58:19 113:2 123:19 124:9 144:24 153:18</p> <p><b>notice</b> [6] 2:25 154:3,23 155:15 163:16 165:13</p> <p><b>November</b> [3] 83:4 84:21 85:15</p> <p><b>now</b> [71] 2:7,11 3:16 10:1 10:6 12:25 13:11,25 16:11 19:1,10 21:13,22 25:3 26:23 27:19 28:9 30:5,19 32:5 33:1,4 35:9</p>
---	---	--	--	---

<p>45:1 46:9 52:7 54:2 55:13 56:4,20 63:8 64:20 64:23,23 67:7,10 68:2 71:3 76:4,20 77:15,17 77:24,25 78:2 80:9 82:15 84:23 86:24 96:14 99:15 99:18,24 101:12 108:5 115:17 118:21 120:10,23 127:16 128:9 135:10 136:16 138:3,17 139:9 140:8,17 142:25 149:7 151:2</p> <p><b>nowhere</b> [1] 22:15 <b>NP</b> [2] 46:5 120:23 <b>NP-NLH-035</b> [1] 115:4 <b>number</b> [17] 23:4 24:2 24:12,17 57:6 82:23 84:4 88:8 100:1 112:11 119:17 125:7 127:11 137:18 139:11 140:1 142:12</p> <p><b>numbers</b> [12] 13:19,22 14:18 23:11 25:3 39:11 88:23 91:9 94:3 125:3 129:22 141:22</p> <p><b>Nunatsiavut</b> [9] 19:6 19:22 22:4,5 26:2,18,21 27:13 67:14</p> <hr/> <p style="text-align: center;"><b>-O-</b></p> <p><b>O</b> [5] 9:21 13:8 14:23,25 137:11</p> <p><b>O&amp;M</b> [1] 138:22</p> <p><b>O'Brien</b> [4] 95:15 148:20 149:3,14</p> <p><b>O'Reilly</b> [30] 6:10 8:24 9:1,5,9 12:10,13,14,21 13:1,3,4,17,24 15:3,7,14 15:23 16:4,8,19,23 17:4 17:12,16 18:3,10,21 138:12,15</p> <p><b>objections</b> [1] 8:15</p> <p><b>obvious</b> [1] 153:17</p> <p><b>obviously</b> [5] 95:20 100:9 130:5 134:2 162:6</p> <p><b>occasionally</b> [1] 111:18</p> <p><b>occasions</b> [1] 66:20</p> <p><b>occur</b> [6] 46:2 55:10 104:13 125:11 157:10 161:7</p> <p><b>occurred</b> [5] 74:7 88:1 160:2 162:9 164:20</p> <p><b>occurrences</b> [1] 160:2</p> <p><b>occurring</b> [2] 156:6 158:17</p> <p><b>occurs</b> [2] 51:24 72:22</p> <p><b>October</b> [14] 1:1 91:7 93:6 94:13 95:11 98:13 103:16 109:24 135:3 153:4 165:16 166:4 169:5 169:11</p> <p><b>odd</b> [1] 83:16</p> <p><b>off</b> [4] 64:25 78:1 127:22 153:16</p> <p><b>offer</b> [1] 6:9</p> <p><b>offset</b> [1] 52:10</p> <p><b>often</b> [2] 66:13 111:20</p>	<p><b>once</b> [6] 3:4 79:25 81:25 91:3 157:4 166:3</p> <p><b>one</b> [63] 5:18 6:2 22:23 25:18 27:14 30:11 32:22 33:3 35:8 36:18 38:5 39:6,14,21 42:17,19 44:4 44:9,10,11 45:20 48:3 48:20 65:18 66:4 68:13 69:21 71:6 80:10 81:1,2 81:20,22 82:11 86:5 87:13,14 90:3,5 91:24 97:10 102:12 108:10,11 108:18 115:8 116:20 117:15 122:4 123:9 127:23,25 128:1 129:15 135:10 137:1 138:10 139:4,9 144:12 148:23 159:22 160:3</p> <p><b>ones</b> [1] 122:7</p> <p><b>ongoing</b> [1] 164:6</p> <p><b>open</b> [2] 6:17 10:21</p> <p><b>opening</b> [6] 4:7 103:9 104:3,15,17 105:11</p> <p><b>operate</b> [1] 158:25</p> <p><b>operating</b> [2] 82:6 106:15</p> <p><b>operation</b> [2] 148:2 160:9</p> <p><b>operations</b> [8] 158:1,7 162:1,15 163:3 164:1,6 167:8</p> <p><b>opinion</b> [4] 3:19 6:8 96:13 130:23</p> <p><b>opportunity</b> [3] 2:19 3:24 140:19</p> <p><b>opposed</b> [2] 21:5 94:21</p> <p><b>order</b> [27] 34:7 55:13 85:1 96:16 99:14,16 117:16 118:5 122:1,25 135:19 144:7 160:6 161:12 164:8,9,12,24 165:15,17 166:1,2,4,21 167:13,15 168:2</p> <p><b>order-in-council</b> [1] 153:11</p> <p><b>ordered</b> [1] 4:5</p> <p><b>orders</b> [7] 110:13 113:8 146:12,15,19,20,23</p> <p><b>organization</b> [2] 146:4 147:21</p> <p><b>orient</b> [1] 146:16</p> <p><b>original</b> [10] 5:25 14:6 16:25 17:3 26:6 83:24 85:7,8 89:3 135:15</p> <p><b>originally</b> [3] 4:15 16:13 139:24</p> <p><b>ours</b> [1] 23:23</p> <p><b>outlined</b> [1] 1:23</p> <p><b>outlines</b> [1] 3:20</p> <p><b>outset</b> [2] 2:18 146:18</p> <p><b>outstanding</b> [2] 147:10 148:1</p> <p><b>overall</b> [3] 57:7 83:10 127:13</p> <p><b>overcharge</b> [1] 16:24</p> <p><b>overcharging</b> [3]</p>	<p>138:16,22 139:7</p> <p><b>overhead</b> [1] 25:16</p> <p><b>own</b> [3] 3:11 17:23 113:1</p> <p><b>owned</b> [1] 39:5</p> <p><b>owner</b> [1] 162:13</p> <hr/> <p style="text-align: center;"><b>-P-</b></p> <p><b>p.m</b> [8] 101:6 116:13 129:12 143:24,25 147:6 160:15 168:13</p> <p><b>P.U</b> [1] 164:8</p> <p><b>page</b> [41] 1:23 9:13 22:24 27:1,6,8 45:17,18,22 48:3 50:10,11 59:9 73:22 82:21,23 95:11,11,14 98:13 103:16 109:25 115:7 120:17 128:12 135:3,11 136:17 138:4 145:9 147:18 148:19 153:5,13 154:4,12 155:25 164:23 165:6,7 168:2</p> <p><b>pages</b> [1] 145:8</p> <p><b>paid</b> [4] 1:10 42:20 149:6 149:19</p> <p><b>panel</b> [13] 2:20,24 3:3,5 3:7 98:4,9 108:11 144:14 144:15 147:15 148:2 155:17</p> <p><b>paper</b> [32] 14:12,19 16:12 123:25 124:13 153:24 154:15 155:6,7 156:9,20 157:4,5,14 160:18,22,23 161:1,19 161:25 162:14,16 163:4 163:11,13,17,20,21 164:5 166:17,24 167:8</p> <p><b>paragraph</b> [7] 159:25 161:12,15 162:11,12 163:10 168:1</p> <p><b>paraphrase</b> [1] 151:24</p> <p><b>pardon</b> [4] 8:9 19:2 31:10 35:14</p> <p><b>park</b> [3] 22:17 23:3,14</p> <p><b>part</b> [11] 6:19,25 9:21 49:22 56:6 58:10 99:24 100:6 150:9 154:24 161:5</p> <p><b>particular</b> [27] 4:25 5:10 5:16 9:23 11:12 16:10 20:12 27:1 33:22 36:3 40:8 41:16 42:10 49:21 50:23 56:9 57:2 80:22 108:18,21 114:1 122:4 126:11 140:7 144:24 148:22 161:24</p> <p><b>particularly</b> [1] 65:2</p> <p><b>parties</b> [13] 3:23 18:1,7 75:18 91:15 94:9 100:2 136:6,7 139:12 140:10 140:19 141:21</p> <p><b>party</b> [2] 19:8,23</p> <p><b>passed</b> [2] 68:20 142:3</p> <p><b>past</b> [2] 30:13 117:18</p> <p><b>Patrick</b> [3] 75:6 108:5 108:20</p> <p><b>pay</b> [19] 16:14 17:5 43:6 43:8 52:25 55:18 63:22</p>	<p>66:12 67:17 71:19,24 113:25 119:4 120:25 129:8 132:18,25 151:9 167:14</p> <p><b>payers</b> [3] 18:15 128:17 128:22</p> <p><b>paying</b> [17] 42:22 52:21 53:19 60:5 61:13 62:10 63:5 65:20 66:18 70:8 113:13 114:17 115:10 120:7 127:22 132:11 133:16</p> <p><b>payment</b> [1] 149:19</p> <p><b>pays</b> [1] 49:10</p> <p><b>Pelley</b> [1] 108:10</p> <p><b>penalized</b> [1] 98:1</p> <p><b>Peninsula</b> [1] 47:19</p> <p><b>PENNELL</b> [1] 1:6</p> <p><b>people</b> [23] 20:3,5 22:5 23:23 26:3 28:21 31:5 31:21 43:4,16 46:22 65:15,19 67:11,13 71:19 94:4 112:13 127:20 132:14,16,18 134:6</p> <p><b>people's</b> [1] 132:12</p> <p><b>per</b> [18] 24:21,23 29:4,18 34:2,3,4 35:9 39:8,9,10 59:15 73:24,25 74:12,13 89:22 131:15</p> <p><b>percent</b> [79] 40:9 41:15 45:3,4,14 46:9,13,13,16 47:21,23,24,25 48:1,7,8 49:4,7,11,13,23,24 51:1 51:16 52:6,10 53:4,5,7,9 53:10,10,17 54:2,15,19 55:5,17 56:1,10,11 57:8 57:9,11,19,21 58:5 60:14 62:11 64:8 65:16 83:11 83:22,23,25 84:1,13 85:13,23,25 87:18,19 88:5 98:20 99:1,11,20 99:24 100:13,19 101:2 125:9 126:12 127:11,13 130:1 131:13 142:8 154:17</p> <p><b>percentage</b> [15] 1:8 24:14 43:23 44:6 48:11 49:3 60:12 61:1,9,16 63:1 100:23 129:19 130:8 130:9</p> <p><b>performance</b> [2] 1:8,11</p> <p><b>perhaps</b> [6] 103:15 147:15,24 148:3 162:24 165:4</p> <p><b>period</b> [11] 55:12 71:4,5 74:3,7,10,11 99:8 102:1 105:7 163:14</p> <p><b>permit</b> [2] 3:2 11:1</p> <p><b>permitted</b> [3] 2:19 3:4 100:24</p> <p><b>perplexed</b> [1] 136:13</p> <p><b>person</b> [3] 10:23 62:1,2</p> <p><b>personal</b> [1] 113:1</p> <p><b>perspective</b> [21] 5:2,3,4 5:7,11,24,25 12:8 20:22 25:20 27:24,25 37:25 52:15 62:18 67:24 75:9</p>	<p>102:13 106:15 119:18 130:2</p> <p><b>perspectives</b> [2] 4:18 4:22</p> <p><b>phase</b> [2] 117:13,23</p> <p><b>phonetic</b> [1] 128:4</p> <p><b>picking</b> [1] 13:6</p> <p><b>piece</b> [1] 106:12</p> <p><b>pieces</b> [1] 125:15</p> <p><b>place</b> [7] 2:8 19:12 21:8 34:5 44:12 52:1 73:12</p> <p><b>places</b> [1] 128:21</p> <p><b>plan</b> [24] 15:18 17:24 56:2 58:10 59:7,24 60:14 60:16,25 61:3,16 62:20 63:2,10 64:3,13 72:24 75:8 76:25 81:22 86:19 86:25 90:18 91:5</p> <p><b>planning</b> [2] 107:21 159:13</p> <p><b>plant</b> [6] 46:22,22 119:25 119:25 120:3 134:7</p> <p><b>plants</b> [2] 119:8,13</p> <p><b>play</b> [2] 74:9 165:22</p> <p><b>point</b> [13] 3:8,8,10 9:21 11:13 12:16 78:8 106:8 109:2 143:4 150:4,18 157:8</p> <p><b>pointed</b> [1] 7:1</p> <p><b>pointing</b> [1] 124:1</p> <p><b>policies</b> [6] 118:23 121:16,21 122:8,24 124:7</p> <p><b>policy</b> [15] 21:16 27:24 34:5 58:14 110:2,24 113:3 114:7,11,22 121:6 122:10 123:19 124:2 138:9</p> <p><b>population</b> [1] 24:12</p> <p><b>portion</b> [12] 6:18 25:21 29:11 47:6 51:10,19 52:7 54:23 57:10,20 60:15 66:18</p> <p><b>position</b> [21] 2:15,17 3:1 3:20,21 17:2 92:25 98:4 102:11 114:4 133:18 134:13,14,25 136:11,15 139:7 143:1 157:21 158:6 158:13</p> <p><b>possible</b> [1] 167:4</p> <p><b>postpone</b> [1] 7:19</p> <p><b>Postville</b> [1] 22:7</p> <p><b>potential</b> [3] 105:12 128:22 161:6</p> <p><b>power</b> [61] 14:21 20:12 21:1 26:1 30:8 35:21 37:18,20,22 45:6,8,10 45:11,16,25 46:7 49:10 56:15 57:6 66:7,9,16 70:11 72:25 73:3 79:24 81:12 83:9 85:17,24 92:20 113:11,17,22 114:11,12 125:12,21 126:3,13 127:7,9 128:3 129:1,17,18,21 132:15 134:14 142:3,6 148:13 149:6,20 150:2 164:12</p>
---	--	---	---	---

<p>165:14,17 166:4 167:13 167:15 <b>Power's</b> [19] 28:3 40:20 46:10,23 47:20,21 48:6 49:3,6,14,16,17 58:3 59:16,18 90:12 123:13 129:5 141:15 <b>practice</b> [6] 100:8 101:3 128:10,18 129:2 130:16 <b>practices</b> [7] 20:20 37:15 42:18 58:13,16 122:12 124:14 <b>prefer</b> [1] 107:19 <b>preferential</b> [10] 115:19 115:19,25 117:1,23 118:7 119:3 120:14,16,19 <b>prefiled</b> [2] 7:5 11:4 <b>preliminary</b> [3] 9:4,7 82:11 <b>prepared</b> [4] 6:23 149:16,21,21 <b>present</b> [1] 6:7 <b>presentation</b> [2] 26:10 26:20 <b>presented</b> [10] 87:9 88:12 97:8 107:24 133:17 134:1 135:7 138:6 140:6 141:17 <b>presenting</b> [1] 106:18 <b>pressures</b> [2] 77:5 163:1 <b>pretty</b> [2] 117:19 146:6 <b>previous</b> [13] 39:13 41:1 51:23 52:3 86:17 95:14 120:12 124:1 130:12 137:10 154:17 158:12 165:14 <b>previously</b> [4] 102:15 128:11 158:5 159:2 <b>price</b> [73] 30:6,7,21 31:5 31:8,12,17,17,23 32:18 40:15,23 48:7,10,19,24 52:3 59:5,5 68:12 69:17 69:25 70:2,17,17,18,19 70:20,21,23,24 71:2,22 72:9,10,15,16 73:20 74:5 75:1 76:6,9,11 77:15 85:3 86:6,21 87:3,8,10 87:25 88:12,19 89:9,14 90:3,24 91:7,19,21 93:2 93:11,12,16,21,23 149:6 149:11,18 150:17,25 151:3 152:5 <b>priced</b> [1] 48:18 <b>prices</b> [2] 38:1 71:7 <b>primarily</b> [1] 32:20 <b>principle</b> [1] 14:2 <b>priority</b> [1] 81:23 <b>procedural</b> [3] 3:8,9 7:12 <b>proceed</b> [4] 3:25 12:18 88:23 93:15 <b>proceeded</b> [1] 79:25 <b>proceeding</b> [6] 1:18 20:17 49:21 100:3 111:21 154:11 <b>proceedings</b> [2] 21:15</p>	<p>134:2 <b>proceeds</b> [2] 4:25 82:1 <b>process</b> [8] 6:13,25 20:8 91:2,9 101:5 102:8 159:9 <b>production</b> [3] 69:7 160:25 162:17 <b>productivity</b> [1] 106:16 <b>professional</b> [2] 11:5,6 <b>profile</b> [1] 162:7 <b>profit</b> [1] 39:1 <b>projects</b> [3] 97:12 109:12 109:14 <b>proper</b> [3] 4:6 102:7 107:22 <b>properly</b> [1] 146:24 <b>proportion</b> [7] 23:14 28:25 31:1 45:12 57:12 98:23 130:3 <b>proposal</b> [15] 3:23 5:14 45:9 52:6 86:13 87:16 90:21 91:19 106:22 107:8 108:9,14 117:23 137:4 139:3 <b>proposals</b> [5] 32:12 123:11 139:11,13 143:4 <b>propose</b> [4] 3:4 58:12 58:12 106:1 <b>proposed</b> [28] 42:25 44:16,20,22,24 46:8 49:21 52:13 55:4 58:2 61:21,22 66:10 82:3 83:15,22 84:20 85:14 92:12,19 93:1 99:4 100:13 102:21 106:12 117:13,15 118:17 <b>proposes</b> [1] 2:11 <b>proposing</b> [8] 60:14 61:4 74:17 83:8 85:23 90:2 93:2 106:3 <b>proposition</b> [1] 5:21 <b>prospect</b> [2] 148:4,8 <b>protect</b> [1] 151:25 <b>protecting</b> [1] 167:23 <b>protection</b> [3] 90:24 167:10,20 <b>provide</b> [16] 4:13 12:8 18:17 71:10 77:18 80:5 93:1,22 107:1 124:5 128:5 142:21 159:6,10 165:23 166:7 <b>provided</b> [8] 52:9 96:2 104:2 124:13,24 126:5 145:19 148:5 <b>provides</b> [7] 3:20,21,22 32:22 45:20 86:25 165:11 <b>providing</b> [9] 17:24 66:15,17 75:20,21 91:14 93:15 110:3 150:8 <b>province</b> [3] 21:24 26:2 67:12 <b>provincial</b> [9] 26:13,16 133:19 150:15,17 151:19 151:21 152:9,16 <b>provision</b> [3] 20:13 149:17 166:23</p>	<p><b>proximity</b> [1] 134:16 <b>Prudence</b> [2] 95:17 97:1 <b>PU-7</b> [1] 117:16 <b>PU-7-2002/2003</b> [1] 34:7 <b>PUB</b> [4] 20:2 40:7 60:20 116:9 <b>PUB-107</b> [1] 55:24 <b>PUB-487</b> [1] 108:1 <b>PUB-NLH-079</b> [1] 120:10 <b>PUB-NLH-107</b> [1] 51:4 <b>PUB-NLH-310</b> [2] 116:15,19 <b>PUB-NLH-339</b> [1] 123:22 <b>PUB-NLH-400</b> [1] 51:8 <b>PUB-NLH-485</b> [2] 55:21 84:23 <b>public</b> [6] 20:11,25 155:5 163:17,18 169:6 <b>pulp</b> [15] 14:11,19 16:12 154:15 155:6 156:9 157:14 161:24 162:14 163:4,11,20 166:16,24 167:7 <b>purchases</b> [5] 45:12 69:6 81:11 82:7 148:14 <b>purpose</b> [2] 7:4 69:1 <b>purposes</b> [5] 69:13 91:24 104:16 105:19 135:15 <b>put</b> [24] 7:7 11:15,21 12:5 12:16 21:8 34:5 39:22 67:15,21 70:14 84:24 85:15 87:14 91:7 97:17 114:5 134:14 144:13,14 150:17 151:5 155:16 167:2 <b>putting</b> [6] 9:19 53:3 73:12 76:2 81:23 127:24</p>	<p>126:20 127:3,10 128:8 130:10 131:5,9,14,19,24 132:3,7,22 133:5,21 134:4,17,22 136:8,23 137:13 138:1,24 139:17 140:14,25 141:6,23 142:11,16,24 143:7 145:4 146:1,13 147:7 148:11 148:17 150:10,22 151:10 151:22 152:11,21 153:2 155:23 156:15,24 157:11 157:19,25 158:4,11 159:3 159:15,23 161:10 162:4 162:10 163:8 164:7,22 166:15,20 167:5,19,25 168:11 <b>quagmire</b> [1] 7:12 <b>qualification</b> [1] 9:15 <b>quarrel</b> [1] 163:22 <b>Quebec</b> [2] 131:4,6 <b>questioning</b> [2] 9:10 154:14 <b>questions</b> [15] 3:7 5:15 7:7 13:5 77:21 79:2 109:22 125:7 126:2,8 143:8,10 147:23 148:20 153:12 <b>quite</b> [9] 42:9 45:19 50:4 66:12 98:18 107:4 127:25 133:12 140:12 <b>quote</b> [4] 128:13,16 130:21 135:23</p>	<p>25:24 27:14,15 28:3 30:8 32:13,13,14 34:6,8 37:9 37:24 40:12,14,19 42:15 42:22 44:12,16,17,19,20 46:8,8,24,24 47:1,6,17 47:22,23,25 50:12 52:5 57:8 58:11,11,12,14 59:7 59:24 60:21 62:23 63:23 67:3 70:10 72:16 73:23 74:16 75:5,25,25,25 81:8 81:9 85:1,14 86:24 88:2 90:8,11 91:2,12,22 97:15 99:4,4,10 100:22,24 103:12 104:25 105:8 106:13 109:21 110:2,15 111:5,7,13,17,19 112:4 112:15 113:13,17,25 114:7,17,23 115:19 117:2 117:23 118:7 119:14,15 120:14,16,19 121:7 122:6 123:19 124:24 132:10,19 132:20 133:15 134:6 138:22 139:3 160:7 161:13 <b>rather</b> [6] 43:5,9 88:8 105:3 119:11,15 <b>ratio</b> [2] 115:9 121:1 <b>rationale</b> [4] 100:6 110:15 114:21 117:10 <b>ratios</b> [1] 115:5 <b>RCMP</b> [1] 42:21 <b>re-direct</b> [1] 143:12 <b>read</b> [6] 7:6,8 9:18 98:14 124:16 153:24 <b>reading</b> [4] 28:22 29:8 98:18 163:17 <b>ready</b> [2] 1:4 148:10 <b>real</b> [1] 135:17 <b>realize</b> [2] 22:16 114:4 <b>reallocated</b> [1] 15:2 <b>really</b> [10] 7:11 57:1 62:3 90:19 91:10 100:8 106:10 126:18 134:24 154:5 <b>reason</b> [8] 74:17 81:2 96:20 114:21 136:10 150:25 153:15 165:3 <b>reasonable</b> [25] 5:4,8 5:11,24 10:23 24:17,24 31:1 75:21 96:8 99:21 103:5,12 105:4 135:7,10 135:14,21 136:2,16 137:1 137:17 140:5 152:1,2 <b>reasonableness</b> [1] 96:12 <b>reasonably</b> [1] 32:14 <b>reasons</b> [3] 87:14 152:18 152:23 <b>reassuring</b> [1] 12:24 <b>Rebate</b> [2] 59:10 60:3 <b>recalculation</b> [5] 9:24 13:10,12,18,19 <b>receive</b> [5] 27:13 59:5 117:11 133:7 134:8 <b>received</b> [2] 60:24 74:4 <b>receives</b> [3] 115:21,24 117:5 <b>receiving</b> [3] 115:22</p>
<b>-R-</b>				
<p><b>raise</b> [6] 10:7 11:11,12 11:15 22:11,12 <b>raised</b> [2] 67:3 128:11 <b>raising</b> [1] 147:19 <b>ramped</b> [1] 166:9 <b>rate</b> [145] 1:20,20,24 6:24 16:25 18:15 20:19,21 29:19 30:5,19 32:11 33:8 33:10,14,20 36:18,23 37:1,3,11,13,14,16,19 37:21,23 38:11 39:13 40:8,13,20,22 41:3,5,15 42:16,25 44:24 45:5,8,9 45:21 46:1,1,2,9 47:20 48:6,13,23 49:1,4,6,6,9 49:13,14,20 51:11,25 52:8,13 53:4,5,6,21 54:19,20 55:3 56:11 59:17,20 60:16,17 61:2 62:11 63:16,18,20 69:13 71:25 72:1,3,19,21,23 73:1,4,17 75:6,7 76:25 81:5,6,8,15,21 82:16 85:11,17 86:18,19,24 87:4,17 88:13 89:15 91:5 104:14,15,18,24 105:3 105:15,20,21,22 107:5 111:20 115:19,21,25 116:11 117:5,11,18,20 119:3,3,11,12,19 120:1 120:8 122:7 128:17,21 133:14 134:8,19 153:19 153:19 160:10 169:4 <b>rates</b> [122] 2:4 4:4 14:6,6 15:8,9,10,24 16:12 21:23</p>				
<b>-Q-</b>				
<p><b>Q.C</b> [197] 1:15 6:10 7:23 9:1,9 11:23 12:10,14,21 13:1,3,4,17,24 15:3,7,14 15:23 16:4,8,19,23 17:4 17:12,16 18:3,10,21 78:16,17,22 80:11 82:14 82:22 83:1,7,14,20 84:6 84:11,17 85:20 86:8,12 87:12 88:9,17 89:7,12 89:19 90:1 91:17 92:2,7 92:16,24 93:8 94:6,15 95:2,9 96:10,25 98:2,10 99:23 100:18 101:1,9,23 102:9,20,25 103:14,24 105:25 106:6,21 107:6 107:12,17 108:4,12,22 109:1,15,19 110:7,12,19 111:1,11 112:2,8,18,23 113:6,15 114:3,10,19 115:1,16 116:3,8,14,18 116:25 117:9,21 118:3 118:11,20 119:16 120:2 120:9,22 121:5,12,25 122:14,18 123:21 124:11 124:21 125:4,16,24 126:6</p>				

<p>119:20 133:24  <b>recent</b> [3] 70:21 93:20 125:23  <b>recently</b> [1] 160:20  <b>RECESS</b> [1] 143:24  <b>recites</b> [1] 160:1  <b>recognition</b> [1] 21:14  <b>recognize</b> [8] 6:23 14:1 15:8 54:2 99:18 132:16 132:19 135:6  <b>recognizes</b> [3] 16:9 20:13 137:18  <b>recognizing</b> [2] 138:2 161:6  <b>recollection</b> [3] 99:25 159:19 166:19  <b>recommend</b> [1] 79:17  <b>recommendation</b> [2] 79:19 108:21  <b>recommended</b> [3] 79:21 89:2 109:10  <b>RECONVENED</b> [1] 143:25  <b>record</b> [12] 11:15,18,22 12:16 18:6 86:21 100:10 118:13 123:1 124:22 130:22 154:6  <b>recover</b> [10] 29:25 30:25 32:6 45:5 71:1 76:8,12 98:17 100:5 105:5  <b>recovered</b> [5] 52:15 70:7,6 70:13 94:21 152:20  <b>recovering</b> [3] 30:18 38:2 105:16  <b>recovery</b> [18] 32:23 34:6 70:3,5,16 74:4,16 75:21 79:7 81:19 82:4 94:24 97:15,19,24 99:20 100:24 102:18  <b>reduce</b> [6] 35:22 60:12 75:19 104:18,22 158:17  <b>reduced</b> [3] 59:5 101:5 130:4  <b>reduces</b> [1] 167:8  <b>reducing</b> [3] 42:19 154:16 163:13  <b>reduction</b> [3] 72:19 142:6 163:5  <b>refer</b> [6] 20:19 24:13 50:10 113:2 120:12 128:16  <b>reference</b> [2] 155:13 156:2  <b>referencing</b> [1] 16:10  <b>referred</b> [9] 34:19 49:23 60:2 73:22 77:11 123:24 125:5 129:1 147:16  <b>referring</b> [6] 31:13 114:14 154:8 156:4,7 157:15  <b>refers</b> [2] 160:4 162:13  <b>Refining</b> [1] 14:21  <b>reflect</b> [11] 2:15 30:22 32:15 70:21 76:7 84:25 91:6 108:6 132:20 139:15</p>	<p>139:19  <b>reflected</b> [8] 29:12 34:7 37:11 52:11 86:22 88:1 97:13 104:8  <b>reflecting</b> [7] 32:20 56:2 60:13 85:15 86:6 93:23 106:14  <b>reflective</b> [2] 32:19 35:25  <b>reflects</b> [5] 31:23 36:19 40:23 53:2 80:20  <b>refresh</b> [1] 149:9  <b>refrigeration</b> [1] 36:12  <b>refund</b> [1] 108:7  <b>regard</b> [23] 17:21 18:19 20:25 52:2,4 66:20 75:16 77:5 93:17 103:9 105:18 106:19 111:24 117:20 123:19 126:19 131:22 133:18 134:15 137:11,16 151:6 155:1  <b>regular</b> [2] 94:14 160:22  <b>Regulation</b> [1] 2:4  <b>regulatory</b> [3] 3:20 11:9 78:24  <b>reject</b> [1] 6:18  <b>rejected</b> [1] 117:18  <b>relate</b> [4] 1:9 64:2,3 73:17  <b>related</b> [5] 15:1 69:20 74:21 121:16 156:18  <b>relates</b> [5] 64:8,14 67:5 98:15 148:25  <b>relation</b> [6] 6:4 153:9 154:21 164:12,25 165:2  <b>relations</b> [2] 112:16,19  <b>relationship</b> [1] 70:24  <b>relative</b> [5] 24:9 70:25 71:12 130:2,18  <b>relevant</b> [2] 23:19 148:23  <b>reliability</b> [1] 1:9  <b>relief</b> [1] 2:21  <b>reluctance</b> [1] 88:7  <b>reluctant</b> [1] 11:11  <b>rely</b> [1] 114:11  <b>remember</b> [1] 48:1  <b>removed</b> [1] 97:19  <b>report</b> [5] 79:6 96:1,3 109:10 128:15  <b>reporting</b> [1] 75:16  <b>represent</b> [4] 19:5,22 20:5 22:19  <b>representative</b> [3] 5:10 34:15 92:11  <b>representatives</b> [2] 4:21 111:16  <b>request</b> [4] 8:11,16 164:21 168:7  <b>requested</b> [6] 2:21 111:18 144:12 147:11,12 147:13  <b>requesting</b> [3] 1:19 2:5 99:3</p>	<p><b>requests</b> [1] 7:7  <b>required</b> [6] 16:14 17:5 80:5,7 82:10 140:1  <b>requirement</b> [19] 52:12 52:14 86:1,20 92:12 93:4 94:2 96:8 97:25 100:2 100:14 101:4 104:9,23 105:22,23 106:20 129:19 130:3  <b>research</b> [2] 79:15 132:23  <b>reset</b> [1] 138:23  <b>reside</b> [1] 22:5  <b>residential</b> [2] 39:2 59:16  <b>resiling</b> [1] 3:11  <b>resource</b> [3] 133:9 134:9 134:16  <b>resources</b> [6] 26:10 67:6 67:11,19 81:1 164:11  <b>respect</b> [65] 5:17 9:14 14:25 23:4 30:20 46:2 75:20 76:6,23 79:3 81:6 81:11,21,23 82:5 87:3 87:17 88:19,25 90:16,18 90:20 91:10,18 92:8 93:1 94:2,19 101:21 102:10 103:19 106:23 109:5 110:15 112:4,25 114:6 114:18 115:18 121:7,14 121:19 122:5 124:3,23 124:24 126:10 127:7,18 128:25 131:2 134:13 137:20 140:5 141:18 145:20 147:4 148:20 149:2,4 150:2 151:20 155:9 160:24 164:9  <b>respectfully</b> [2] 4:2 168:7  <b>respond</b> [2] 147:25 148:7  <b>responding</b> [2] 95:15 153:19  <b>response</b> [17] 5:12 7:21 51:1 107:24 123:25 124:16 125:6 129:14 135:4 144:15,24 145:5 145:11,18 149:8,10,15  <b>responses</b> [1] 7:8  <b>responsible</b> [3] 22:15 22:21 26:11  <b>restate</b> [1] 135:14  <b>result</b> [13] 9:23 14:1,7 51:22 59:3 75:4 85:11 117:24 138:16 139:6 142:3 153:25 163:4  <b>resulted</b> [3] 71:25 99:10 154:1  <b>resulting</b> [1] 57:18  <b>results</b> [2] 49:6 136:5  <b>resume</b> [2] 12:17 78:12  <b>retail</b> [2] 81:9 85:18  <b>retained</b> [3] 10:14,17,20  <b>return</b> [4] 77:10 104:19 104:20 147:8  <b>revenue</b> [34] 44:19,22 52:11,14 86:1 90:10 92:3</p>	<p>92:12 94:2,16 95:3,16 95:22 96:8 97:25 98:11 98:24 99:21 100:2,14 101:4 102:10,21 104:9 104:23 105:22,23 106:19 115:5,9 120:25 129:19 130:3 167:24  <b>revenues</b> [2] 57:12 58:22  <b>review</b> [23] 15:18,21 32:9 32:11 42:15 79:16 81:5 81:6,9,14,15,20,24 95:17 95:21 97:1,17 100:16 102:7 118:23 140:20 154:9 156:2  <b>reviewed</b> [7] 2:9 81:10 97:18 122:25 130:13 137:16 147:2  <b>reviewing</b> [5] 15:20 95:23 96:2,11 101:12  <b>revised</b> [4] 96:20 139:25 141:2 142:17  <b>revision</b> [10] 9:25 13:11 13:11,20 115:4 116:17 116:20,20 120:10,24  <b>RFI</b> [4] 25:5 27:2 56:9 107:25  <b>RFIs</b> [6] 3:24 7:5 19:11 19:25 33:4 122:17  <b>rider</b> [2] 87:1,7  <b>right</b> [43] 10:1 18:17 22:6 22:9 25:3 31:19 34:22 35:24 43:12,20,24 44:2 46:6,21,24 50:4 51:21 55:19 56:14 58:25 61:19 62:1,8 64:2,13 65:23 67:21 76:4 85:21 86:5 101:2,8 113:20 118:10 129:15 131:15,18,20 132:4 151:2,8 157:14 167:2  <b>Rigolet</b> [1] 22:7  <b>risk</b> [9] 71:5 74:22 75:4 75:19 76:18,20 96:22 161:23 163:25  <b>risks</b> [1] 164:5  <b>Roberts</b> [1] 146:14  <b>Rocky</b> [2] 127:20,23  <b>role</b> [3] 94:24 96:13 111:7  <b>rough</b> [1] 142:2  <b>roughly</b> [3] 84:7 85:24 115:10  <b>RSP</b> [6] 83:9 90:16 91:25 92:18 108:7 160:9  <b>rule</b> [1] 96:7  <b>rules</b> [1] 86:19  <b>run</b> [3] 91:25 141:12 142:17  <b>rural</b> [60] 22:12,14,20 22:25 32:10,11 35:22 42:15,16,19 43:5 46:14 46:17 47:17,25 52:12,18 58:14 65:20 66:3 67:2 67:17 70:8 71:19,19,24 109:20 110:1,2,4,15 111:13,21 112:4 114:7 115:20,22 120:16 121:8 121:16,20 123:12 124:3</p>	<p>124:23 125:11,20 126:12 126:15,24 127:2,6,8,13 128:10,21 129:18 130:14 130:24 132:17 133:13  <hr/> <p style="text-align: center;"><b>-S-</b></p> <hr/> <p><b>safe</b> [1] 12:24  <b>sales</b> [1] 77:2  <b>sat</b> [2] 80:14 101:20  <b>satisfied</b> [1] 146:2  <b>satisfy</b> [1] 7:21  <b>savings</b> [16] 14:19 16:22 70:19 71:10,10,23,23 72:14 73:2,6,8 74:6,8,11 75:14 154:1  <b>says</b> [4] 9:25 153:25 154:2,4  <b>scale</b> [1] 161:25  <b>schedule</b> [17] 1:20,24 48:23 49:9 50:24 68:19 78:25 79:9,10 80:10 81:3 81:4,17,18 82:13 99:17 116:11  <b>scheduled</b> [2] 79:4 93:16  <b>schedules</b> [3] 1:21 48:14 68:14  <b>scheme</b> [1] 147:21  <b>school</b> [3] 116:2 117:3,4  <b>schools</b> [2] 119:7,10  <b>scope</b> [4] 9:17 80:16,19 81:6  <b>screen</b> [1] 118:25  <b>scroll</b> [3] 119:8 128:13 137:14  <b>scrutinize</b> [1] 10:22  <b>seasoned</b> [1] 20:2 48:10 121:24  <b>section</b> [4] 73:22 145:12 145:16 168:3  <b>see</b> [30] 10:22 14:17 18:12 20:18 24:6 32:18 34:8 36:11,15 37:12 39:7 46:19 83:8 84:19 87:18 92:17 95:23 101:17 103:11 115:7 116:22 129:22 130:9 135:4,13 140:11 141:21 150:19 157:8 165:8  <b>seeing</b> [1] 96:14  <b>seek</b> [4] 3:1,17 4:3 98:16  <b>seeking</b> [8] 3:15 6:19 82:16 84:20 109:5 148:22 161:12 164:12  <b>seeks</b> [1] 3:16  <b>sees</b> [1] 151:4  <b>selling</b> [1] 76:8  <b>sends</b> [1] 145:5  <b>sense</b> [3] 15:13 87:5 119:4  <b>sensitivity</b> [1] 43:2  <b>separate</b> [2] 66:11 105:22  <b>separately</b> [1] 126:25</p> </p>
---	--	--	--	--

<p><b>separating</b> [1] 127:25  <b>September</b> [6] 147:14  147:17 148:18 153:10  154:12 155:12  <b>serve</b> [2] 31:24 133:17  <b>service</b> [52] 2:10 12:4  15:19,20 17:25 25:10  28:16 33:23 34:9,10  37:15,23 38:7,7 39:2  40:8 44:6,21 54:8,10,14  54:16,19 55:3 66:15,18  75:21 79:5 80:14,17,19  81:14 104:7,12 105:2,7  115:22 119:12,20 127:1  128:3,5 133:1 135:15  136:7 140:10 141:2,16  141:20 142:18 150:8  164:25  <b>servicing</b> [5] 29:3 30:23  32:19 115:11 132:16  <b>set</b> [14] 1:21 21:23 25:24  40:25 49:13 65:18 71:22  73:23 78:25 88:13 113:17  151:3,21 159:4  <b>setting</b> [5] 20:20,21  69:13 71:4 105:22  <b>settled</b> [1] 79:25  <b>settlement</b> [7] 79:1  80:18,20 139:11,14,18  139:22  <b>seven</b> [9] 45:4 59:23 60:8  67:9 85:24 87:19 88:4  95:5 97:10  <b>shall</b> [1] 8:4  <b>share</b> [1] 43:8  <b>shareholder</b> [8] 74:23  76:18,19 112:16,22  151:15,15 152:4  <b>sharing</b> [1] 123:12  <b>shattering</b> [1] 141:18  <b>shift</b> [6] 74:22 75:3  141:11,16,24 143:18  <b>shifting</b> [1] 76:17  <b>short</b> [1] 165:22  <b>shortfall</b> [2] 157:9,13  <b>show</b> [7] 18:17 89:14  120:15 129:15 131:4  132:24 141:2  <b>showing</b> [2] 89:21  129:17  <b>shown</b> [2] 59:11 156:8  <b>shows</b> [2] 73:20 140:23  <b>shutdown</b> [3] 153:22  156:20 161:4  <b>side</b> [3] 36:16,16 108:19  <b>sides</b> [1] 63:3  <b>signal</b> [2] 32:18 39:17  <b>signalling</b> [1] 153:19  <b>significant</b> [2] 130:25  160:10  <b>significantly</b> [1] 2:11  <b>silence</b> [1] 11:13  <b>similar</b> [10] 52:4 75:7  113:12 124:10 125:10  126:13 129:4 162:20</p>	<p>166:17 167:4  <b>simple</b> [1] 68:24  <b>simpler</b> [2] 44:11,25  <b>single</b> [3] 36:21 75:17  89:2  <b>singling</b> [1] 108:18  <b>sit</b> [1] 101:17  <b>sitting</b> [1] 80:15  <b>situation</b> [2] 3:9,10  <b>six</b> [2] 95:12 163:10  <b>size</b> [11] 36:17 62:19  121:8,19 124:6 125:19  126:9,18 130:5,17 131:2  <b>sizes</b> [1] 48:22  <b>slightly</b> [6] 29:6 34:19  59:22 60:6 130:1 141:14  <b>small</b> [3] 36:10,11,19  <b>smaller</b> [2] 92:20 128:2  <b>solicitors</b> [1] 6:7  <b>soliloquy</b> [1] 13:7  <b>someone</b> [7] 20:18 25:21  29:17 66:6,7 112:16  146:22  <b>Sometimes</b> [1] 36:11  <b>somewhat</b> [6] 87:24  111:25 113:25 127:17  136:13 137:6  <b>soon</b> [3] 93:7 98:21 148:3  <b>Sopranos</b> [1] 144:4  <b>sorry</b> [17] 9:7 19:1 25:3  27:6 35:14,18 39:10  48:12 49:5 102:22 108:23  116:11 118:16 143:13  165:7,9 168:2  <b>sort</b> [2] 30:13 154:24  <b>sorts</b> [2] 33:19 134:18  <b>sought</b> [2] 3:14 161:14  <b>sound</b> [1] 169:8  <b>sounds</b> [2] 5:8 68:24  <b>source</b> [1] 55:21  <b>speak</b> [5] 10:12 19:14  23:19 150:16,18  <b>speaking</b> [4] 25:20 26:14  101:14 159:21  <b>special</b> [1] 21:14  <b>specific</b> [6] 5:12 93:11  135:25 137:9 142:20  146:8  <b>specifically</b> [27] 1:22 2:1  2:6 4:4,19 6:20 9:22  13:22 14:22 15:1,2,2  18:13,19 88:25 89:8  106:2 109:9 111:23  114:14 134:23 135:16,18  137:11,20 141:11,25  160:17  <b>spent</b> [2] 13:8 97:2  <b>split</b> [5] 23:11 24:24  28:17,19 39:14  <b>Spring</b> [1] 159:22  <b>St</b> [2] 169:7,10  <b>stabilization</b> [12] 46:3  72:24 73:1,5 75:5,7,8  76:25 81:22 86:19,25</p>	<p>91:5  <b>staff</b> [3] 17:23 91:16  141:1  <b>stage</b> [5] 2:17,24 71:3  81:7,9  <b>stages</b> [2] 70:13 82:12  <b>standard</b> [1] 117:2  <b>start</b> [11] 1:4 2:8 12:20  19:21 27:1 50:16 56:8  111:6 135:12 144:11  145:9  <b>started</b> [2] 41:24 101:13  <b>starting</b> [3] 9:18 147:18  155:12  <b>state</b> [2] 153:17 155:8  <b>statement</b> [9] 103:9  104:3 110:9 112:24 113:2  113:14,16 114:1 163:7  <b>stay</b> [2] 72:16 92:8  <b>stayed</b> [1] 75:2  <b>Stephenville</b> [3] 160:21  161:3 167:7  <b>still</b> [15] 20:22 32:21 44:9  54:21 62:23 80:9 81:17  82:12 85:4,15 109:23  139:22 147:10 159:24  167:14  <b>store</b> [2] 36:12 39:4  <b>stores</b> [1] 36:16  <b>Strategic</b> [15] 56:2 58:10  59:7,24 60:13,16,25 61:3  61:16 62:20 63:2,10 64:3  64:13 65:16  <b>stream</b> [1] 77:18  <b>strictly</b> [3] 37:14 68:12  70:12  <b>strip</b> [2] 36:14,15  <b>stronger</b> [1] 43:9  <b>structure</b> [3] 6:24 37:25  38:15  <b>structured</b> [1] 37:9  <b>struggled</b> [1] 87:23  <b>stuck</b> [1] 166:5  <b>studies</b> [3] 25:10 78:24  79:10  <b>study</b> [16] 28:16 33:23  34:10 37:15 44:21 79:3  79:6,12,14,18 80:9,22  81:13 127:1 141:2,20  <b>stuff</b> [5] 25:16 29:10  39:23 58:9 87:4  <b>subject</b> [7] 117:22 118:4  120:13 139:13,24 165:20  166:22  <b>submission</b> [4] 4:23 5:1  140:17 168:5  <b>submissions</b> [1] 4:7  <b>submit</b> [3] 4:2 5:5 10:15  <b>submitted</b> [1] 165:2  <b>submitting</b> [1] 107:8  <b>subsequent</b> [1] 70:4  <b>subsidization</b> [8] 124:14  124:23 125:10,20 126:14  128:9,17,23</p>	<p><b>subsidized</b> [2] 66:5  128:1  <b>subsidizing</b> [3] 66:6  127:24 128:21  <b>subsidy</b> [7] 35:22 111:22  127:22 128:19 130:15  133:8,24  <b>successful</b> [1] 164:15  <b>such</b> [3] 2:17 42:6 106:18  <b>sufficient</b> [1] 146:2  <b>suggest</b> [8] 5:21 10:19  11:10 21:3 42:7 65:4  66:25 76:17  <b>suggested</b> [1] 108:5  <b>suggesting</b> [5] 23:17  71:17 72:13,17 93:12  <b>suggestion</b> [3] 6:15 10:8  108:14  <b>suggests</b> [1] 21:6  <b>summary</b> [1] 108:2  <b>summer</b> [1] 48:20  <b>supervisor</b> [1] 147:5  <b>supervisors</b> [1] 147:3  <b>supplied</b> [2] 69:3,9  <b>supply</b> [9] 36:3,6 68:5  76:23 79:7 81:19 148:23  154:19 156:23  <b>supplying</b> [3] 69:11 71:8  157:13  <b>support</b> [3] 3:21 6:14 7:3  <b>suppose</b> [1] 75:23  <b>supposed</b> [1] 63:11  <b>supposedly</b> [1] 55:14  <b>surely</b> [2] 7:9 63:17  <b>surplus</b> [2] 108:7 153:9  <b>surprise</b> [1] 7:10  <b>sworn</b> [1] 144:5  <b>system</b> [45] 23:13 24:4  24:21 25:11,18 28:22,24  29:12 30:3,4 46:21 48:9  54:9,10 62:21,24 63:24  68:4 72:3 75:8 77:4  113:24 114:15,16 115:3  115:8,24 116:5 117:4  118:14,22 120:7,25 125:6  125:8,12 126:11 127:1,9  127:12 129:3,4 133:2  158:1,25  <b>systems</b> [32] 23:1,12  24:3,11 27:9 28:1 30:21  30:23 32:3,7 33:24 34:12  34:25 36:7 45:2 47:7,13  49:20 50:25 51:25 59:4  63:21 67:25 69:11,19  73:7 110:4 114:18 115:6  118:22 119:2 126:15</p>	<p><b>task</b> [1] 146:8  <b>Teck</b> [7] 14:13,20 16:11  164:11,14 165:1,19  <b>tedious</b> [1] 43:13  <b>teens</b> [1] 129:23  <b>template</b> [1] 144:18  <b>ten</b> [3] 93:5,5 94:12  <b>term</b> [2] 157:7 166:11  <b>terms</b> [10] 85:2 149:14  150:16 156:5 157:13  158:20 163:19 166:6  167:4,10  <b>test</b> [51] 3:25 6:13 34:10  40:13,14,25 41:2,10  44:13,14 50:25 53:13,13  69:7,13,25 70:18,25 71:4  71:13 87:2,7 93:17,19  94:1 95:22 96:8,12,18  96:18,19,21,24 97:8,13  102:12 103:1,3,18 104:5  104:9,17 105:3 109:5,11  115:14 121:1 129:20,24  129:24,25  <b>testified</b> [1] 10:13  <b>testify</b> [2] 9:15,16  <b>testimony</b> [2] 13:12  115:18  <b>testing</b> [1] 100:25  <b>text</b> [3] 147:16 165:7,10  <b>thank</b> [18] 18:22 19:5  43:12 77:21 78:18 82:15  143:8,10,15 144:9 148:12  155:19,24,25 159:24  163:9 165:9 168:12  <b>theirs</b> [1] 44:25  <b>theme</b> [2] 13:6 154:25  <b>therefore</b> [1] 104:19  <b>they've</b> [4] 39:18 52:25  80:24,25  <b>thinking</b> [5] 23:10 51:5  73:11 75:23 106:8  <b>thinks</b> [1] 154:5  <b>thirds</b> [1] 115:11  <b>Thornton</b> [1] 96:1  <b>Thornton's</b> [1] 109:10  <b>thought</b> [8] 64:20 113:5  113:10 117:14 126:2  134:7 136:25 159:2  <b>thousand</b> [1] 19:11  <b>three</b> [6] 14:4,7 45:18  48:14 60:6 162:16  <b>through</b> [47] 4:17 6:25  18:8,15 26:24 33:2,3  40:21 42:24 44:9 50:7  50:13 52:16 64:23 65:7  67:6,7 70:9 71:23 72:2,2  72:25 73:1,3,7 74:16  80:3 81:25 82:3 84:8,18  87:1,2,7,7 88:24 97:15  98:14 100:24 101:5 118:7  141:12 149:8 153:7 155:8  160:22 163:19  <b>throughout</b> [1] 20:17  <b>thrust</b> [1] 154:20  <b>tied</b> [1] 145:9</p>
--	--	--	---	--

-T-

<p><b>tight</b> [1] 81:16  <b>timeframe</b> [2] 94:14  155:11  <b>times</b> [4] 68:24 112:14  159:16 160:20  <b>timing</b> [1] 94:8  <b>today</b> [2] 124:22 136:14  <b>tomorrow</b> [3] 148:3,5,8  <b>too</b> [4] 22:12,16 25:6  71:22  <b>took</b> [5] 24:11 46:12  57:10 97:24 108:13  <b>topic</b> [2] 109:20 134:23  <b>total</b> [11] 23:12 24:10,11  24:15 46:5,6 57:12,19  57:20 129:19 130:3  <b>tour</b> [1] 67:2  <b>towards</b> [1] 129:8  <b>town</b> [2] 128:2,6  <b>towns</b> [3] 127:22,23,24  <b>track</b> [3] 25:17 146:9,10  <b>train</b> [1] 64:20  <b>transcribed</b> [1] 169:7  <b>transcript</b> [18] 9:13  95:10 98:12,18 103:15  109:24 132:9 135:2,11  136:17 138:13 147:18  148:19 153:5 154:9,12  156:16 169:3  <b>transfer</b> [2] 149:12,23  <b>transformer</b> [1] 28:25  <b>transformers</b> [1] 39:23  <b>translate</b> [1] 84:1  <b>transmission</b> [3] 28:17  30:1 154:19  <b>transparency</b> [5] 65:3  65:23 66:22 146:21  147:20  <b>travelled</b> [1] 133:14  <b>treated</b> [1] 130:14  <b>trickle</b> [1] 18:15  <b>tried</b> [2] 117:17 167:3  <b>trouble</b> [1] 19:15  <b>true</b> [2] 139:21 169:2  <b>try</b> [7] 20:7,7 22:11 30:25  39:17,19 77:13  <b>trying</b> [8] 22:19 25:19  31:19 66:2 88:3 91:11  105:18 156:13  <b>Tuesday</b> [1] 142:22  <b>tune</b> [2] 67:8,9  <b>turbine</b> [10] 104:3,4,6,8  104:15 105:2,6,17 109:3  109:8  <b>turn</b> [10] 82:18 145:7  147:16 148:18 153:4  154:11 155:24 164:8,23  166:21  <b>turned</b> [1] 39:21  <b>turning</b> [3] 94:16 98:11  109:20  <b>twice</b> [2] 98:1 159:10  <b>two</b> [15] 4:6,7 42:15 63:3</p>	<p>66:3 79:5 98:13 105:14  115:10 127:24 136:12  147:13 148:1 156:10  159:16  <b>two-thirds</b> [4] 45:14  46:11,12 84:8  <b>type</b> [3] 39:4 75:12 120:3  <b>types</b> [1] 42:21  <b>typical</b> [1] 38:21</p> <hr/> <p style="text-align: center;"><b>-U-</b></p> <p><b>ultimate</b> [1] 63:4  <b>ultimately</b> [1] 151:14  <b>Um-hm</b> [1] 51:14  <b>unable</b> [1] 124:17  <b>uncontrolled</b> [1] 151:23  <b>under</b> [16] 5:18 6:3 7:25  13:10,23,25 44:19 46:7  46:14 93:10 135:1 139:2  144:22,25 155:18 166:10  <b>underlying</b> [2] 121:15  121:21  <b>understand</b> [30] 10:1  13:12 15:12 17:20 21:12  24:7 25:7,13 27:11 40:6  42:8 43:19 52:21 76:14  88:10 98:19 108:9 136:10  144:3,15,17 145:10,17  146:23 148:2 149:1,13  150:11 151:24 153:23  <b>understandable</b> [1]  126:24  <b>understood</b> [13] 11:19  93:9 94:7,18 102:15  106:23 126:7 135:20  136:18,24 141:1 162:5  162:25  <b>undertaking</b> [11] 1:5,7  107:11 144:13,14,17  145:5,17 146:20 147:9  147:15  <b>undertakings</b> [2]  144:11 145:11  <b>unfair</b> [2] 138:10 139:6  <b>unfortunately</b> [1] 90:25  <b>uniform</b> [1] 132:11  <b>unit</b> [5] 34:2,3,3,9 44:14  <b>unknown</b> [1] 163:14  <b>unless</b> [4] 95:12 96:19  96:19 150:20  <b>unlike</b> [1] 144:4  <b>unreasonable</b> [1] 25:22  <b>unusual</b> [4] 3:10 4:23  5:1 142:25  <b>up</b> [59] 5:22 9:13 10:3  13:6 22:23 24:17 26:3  32:12 39:22 42:24 43:1  44:22 45:4,7,14,19,24  46:11 47:20,22,24 49:12  52:2,18 53:10,16 57:13  57:17 60:1,11,17 62:21  66:13 67:4 68:3 69:5,10  69:21,22,25 70:25 71:7  72:10 74:1,14 75:1 76:1  76:9 80:2 82:9 93:25  94:4 99:10 111:18 140:24</p>	<p>144:17 148:3 151:5  153:14  <b>update</b> [5] 93:1 124:12  124:17 125:2 159:22  <b>updated</b> [5] 17:24 40:14  98:6 136:6 140:10  <b>upfront</b> [1] 137:18  <b>urban</b> [7] 125:10,20  126:14 127:2,6 128:9  132:17  <b>usage</b> [3] 30:22 32:17  120:4  <b>used</b> [10] 39:11 69:18  81:15 88:13 89:14,16  91:19 102:13 111:24  157:7  <b>using</b> [1] 161:9  <b>usual</b> [1] 12:17  <b>usually</b> [3] 69:21 111:15  112:16  <b>utilities</b> [5] 3:17 20:11  20:25 100:21 169:6  <b>utility</b> [8] 75:10 96:23  140:3 143:1 152:1,4,4,9</p> <hr/> <p style="text-align: center;"><b>-V-</b></p> <p><b>Vale</b> [10] 9:24 10:14  13:11 14:10,17,18 16:10  16:13 138:17 140:23  <b>Vale's</b> [6] 10:2,10 11:25  12:1,2 137:1  <b>variability</b> [1] 77:15  <b>variance</b> [2] 68:12  148:24  <b>variances</b> [3] 73:21  76:24 82:4  <b>variation</b> [4] 149:3  153:9,15 154:22  <b>various</b> [2] 145:13 160:2  <b>vary</b> [1] 82:2  <b>vehicle</b> [1] 76:3  <b>versus</b> [14] 23:12 31:17  37:12 43:21 46:8 74:23  76:4 82:6,7 108:19 127:1  129:24 130:25 132:17  <b>Verte</b> [1] 128:4  <b>VICE-CHAIR</b> [1]  143:9  <b>view</b> [12] 3:10 88:22 96:7  96:18 108:17 110:6,24  111:2 113:21 129:3,9  132:21  <b>viewed</b> [2] 109:13 114:17  <b>views</b> [1] 5:17  <b>vive</b> [1] 11:3  <b>voce</b> [1] 11:3  <b>volatility</b> [2] 160:10  161:13  <b>Volume</b> [1] 145:6</p> <hr/> <p style="text-align: center;"><b>-W-</b></p> <p><b>wait</b> [1] 91:8  <b>walk</b> [1] 149:22</p>	<p><b>walked</b> [1] 65:6  <b>War</b> [2] 12:15,20  <b>water</b> [1] 7:2  <b>wealth</b> [2] 67:6,11  <b>website</b> [1] 155:18  <b>week</b> [4] 80:6 87:11  101:13 115:18  <b>weeks</b> [4] 102:6 111:15  147:13 148:1  <b>Welcome</b> [1] 144:9  <b>WHALEN</b> [1] 143:9  <b>whereas</b> [2] 37:15 54:19  <b>wherever</b> [1] 62:9  <b>whichever</b> [1] 107:19  <b>whole</b> [4] 15:18 20:8  105:7 145:18  <b>wholesale</b> [4] 45:8 47:20  81:8 85:17  <b>widgets</b> [1] 27:22  <b>willing</b> [1] 132:25  <b>wish</b> [4] 3:8 35:18,21  149:8  <b>within</b> [21] 20:19,24  34:25 74:11 80:6 86:19  93:5,16 94:12,14 119:1  125:9,11,21 126:25 127:8  129:2 142:21 145:13  147:21 163:24  <b>without</b> [3] 46:4 141:19  152:5  <b>witness</b> [9] 5:23,23 8:21  10:2,3,10 11:25 12:1,2  <b>witnesses</b> [3] 10:13,17  128:18  <b>wonder</b> [3] 95:10 98:12  115:3  <b>word</b> [1] 31:5  <b>words</b> [3] 9:17 31:4  111:24  <b>World</b> [2] 12:15,20  <b>wrong</b> [3] 39:10 126:7  156:7  <b>wrote</b> [1] 134:12</p> <hr/> <p style="text-align: center;"><b>-Y-</b></p> <p><b>year</b> [90] 19:9,24 34:10  40:25 41:2,10 44:13,14  46:2,2 50:25 52:22 53:13  53:13,18,20 55:15 69:4  69:7,13 70:1,1,4,18 71:1  71:4,13 75:17 79:4,5  87:3,7 91:4,8 93:18,19  94:1 95:22 96:8,12,18  96:18,19,21,24 97:8,13  98:22 99:15,16 102:12  103:1,3,18 104:5,9,17  105:3,3,4,10 109:5,11  115:6,14 121:1 129:20  129:24,25,25 159:4,7,10  159:16 161:17,17 162:22  162:23 164:11 165:14,15  165:16,18,25 166:6,9  167:11,12,16,24  <b>years</b> [11] 19:10 40:13  40:15 42:15 75:13,15,15</p>	<p>76:4 77:7 105:14 146:7  <b>yesterday</b> [18] 1:25 2:3  9:11 42:5 65:25 66:8  67:1,16 69:15 70:22  76:24 90:16 135:2 136:11  136:14,17,20 153:8  <b>yesterday's</b> [1] 9:13  <b>yet</b> [2] 67:19 101:22  <b>Young</b> [2] 148:6,12  <b>yourself</b> [2] 126:9  154:14</p> <hr/> <p style="text-align: center;"><b>-Z-</b></p> <p><b>zero</b> [2] 26:24 75:16  <b>zoom</b> [1] 22:25</p>
--	--	---	--	--