

1 Q. **Reference: Requests for Information IIC-NLH-001(a)(iii) and IIC-NLH-007(b).**

2 Hydro states its proposed changes to the Island Industrial rate structure are limited to those
3 necessary as a result of No. 6 fuel at the Holyrood Thermal Generating Station no longer
4 reflecting the marginal energy cost on the Island Interconnected System. Hydro is proposing an
5 energy blocking structure in which the marginal price is based on Hydro's test year average unit
6 value of exports.

7 Hydro also states it is not proposing to permit customers to set their Power on Order such that
8 the value varies by season or by month and that it would need to undertake a complete analysis
9 of the impacts of allowing such changes to setting Power on Order.

10 a) Would Hydro be amenable to establishing a working group with representatives from
11 the Island Industrial Customer Group to explore improvements and alternatives to the
12 proposed industrial rate design, along with other potential modifications to the Island
13 Industrial rate structure that could be proposed in a future rate application? Why or
14 why not?

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17 A. Yes, Newfoundland and Labrador Hydro ("Hydro") would be amenable to establishing a working
18 group with representatives from the Island Industrial Customer Group to explore improvements
19 or potential modifications to the proposed Industrial rate design. Hydro would work with Island
20 Industrial Customers following the implementation of the proposed rate design to ensure it
21 operates as intended in practice and explore other opportunities for improvement or change
22 that would be beneficial to both parties.