

1 **Q. In spite of the increases in tail block energy charges, Rates 2.2, 2.3 and 2.4 remain**  
2 **promotional rates; i.e., the tail block charge is lower than the initial block charge. Is**  
3 **this consistent with Newfoundland Power's overall rate design strategy going**  
4 **forward?**

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6 A. Rates 2.2, 2.3 and 2.4 are not promotional rates. As explained in the pre-filed evidence  
7 of Mr. Lorne Henderson, Exhibit LCH-3, customers billed on these rates have the  
8 opportunity to pay lower unit costs by improving their load factors.