

- 1 Q. **Volume II (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer**
 2 **Bill Report**
- 3 Please compare the impact of the Rural Deficit on customer rates in Newfoundland
 4 and Labrador to similar subsidies provided in other Canadian jurisdictions. (Volume II
 5 (1st Revision), Exhibit 4: Identification of the Rural Subsidy on Customer Bills Report,
 6 Page 10, Lines 7-8)
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- 9 A. Québec was the only survey respondent to provide detailed information on its rural
 10 deficit.¹ Table 1 provides the comparisons between Québec and Newfoundland and
 11 Labrador.

Table 1 Comparison of Impact of Rural Deficit on Customer Rates

Particulars	Number of Customers	Annual Operating Deficit (\$ Millions)	Operating Deficit % of Utility Sales (excluding exports)	Average Deficit per Isolated Customer
Hydro - Island Interconnected ²	22,910	\$23.5	3.4%	\$1,026
Hydro - Isolated Systems ²	4,380 ³	\$49.0	7.1%	\$11,177
Hydro Québec - Isolated	18,430	193.6	1.6%	\$10,504

¹ The Hydro Québec response was received following the preparation of Exhibit 4 in the 2017 General Rate Application Filing.

² 2019 Test Year rural deficit.

³ Excludes Hydro Government customers as they do not contribute to the rural deficit.