

1 Q. **Re: NLH Evidence, Section 4, page 4.11, lines 6-10.**

2 Section 4.4.4 explains that for government departments (domestic), which are
3 charged rates based on full cost recovery, the average increase will be 17.7%.

4 In note 5, to Schedule IV of Section 2, it is mentioned that “Natuashish is
5 operated by Hydro for the Department of Indian and Northern Affairs with full
6 cost recovery.”

7 Are billings for Natuashish based on the government department rates? If not,
8 please specify on what basis they are based.

9 Is it reasonable to conclude that the average increase in billings by NLH for
10 operating the Natuashish system will also be 17.7%? If not, please explain the rate
11 increase or expected cost increase in relation to Natuashish.

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14 A. Hydro does not bill any customers in Natuashish for electricity consumption; rather,
15 it invoices Mushuau Innu First Nation (MIFN) for operating costs related to services
16 provided, such as labour, material and travel. As a result, there is no correlation
17 between billings regarding Natuashish and the average increase in billings for
18 government departments, which are billed for electricity consumption. Changes in
19 amounts charged to MIFN will depend on changes in the specific costs related to
20 the services provided.