

1 Q. **Re: NLH Evidence, Section 4, page 4.10, lines 8-13**

2 It is stated: “An additional impact on rates for both rural Domestic and
3 General Service Customers relates to a 15% rate increase, effective January 1,
4 2007 (deferred rate increase) which was approved for these customers in the
5 2006 GRA, but through various directions from government has resulted in a
6 deferral. Therefore, with this GRA, the deferred rate increase will be
7 incorporated into Hydro’s final rate schedules for these customers, which are
8 proposed to take effect January 1, 2014.”

9 Is the deferred rate increase of 15% which will be incorporated into NLH’s final rate
10 schedules for rural Domestic and General Service Customers additional to the rate
11 increases set out in the present application? If yes, please provide:

- 12 • a list of the net rate impacts for each rate class, taking into account this
13 deferred rate increase, and
14 • A list of the proposed rates for each system¹ and class, with and without the
15 deferred rate increase.

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18 A. The deferred rate increase of 15% for Domestic and General Service customers on
19 the isolated systems was included in Hydro’s 2006 GRA, and has been subsidized by
20 the Government since January 2007. This increase is incorporated into the
21 revenues for the affected rate classes in this GRA. The rates for non-Government
22 rate classes in the isolated system are based upon Newfoundland Power (NP) rates
23 and these rates are only available after NP has completed its rate design. If there

¹ In this document, unless otherwise specified, the term “each system” refers to the following systems: NP, Island Interconnected, Labrador Interconnected, Island Isolated, Labrador Isolated and L’Anse au Loup systems.

- 1 was no deferred rate increase from 2007, these customers would be forecast to
- 2 receive the same 3.2% decrease proposed for NP's end consumers.