

1 Q. Please provide the total cost absorbed by Hydro of the subsidy formerly paid
2 by Hydro's Industrial Customers to support rural rates since Hydro has taken
3 over those costs – December 31, 1999.

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6 A. The portion of the rural subsidy that would have been recovered in Industrial
7 rates are shown below based on the reduction in Industrial rates of 10.74%
8 per Order No. P.U. 23(1999-2000).

| | <u>2000 Actual</u> | <u>2001 Forecast</u> |
|----------------------------------------------------|--------------------|----------------------|
| Industrial Revenue | \$39,565,833 | \$41,865,325 |
| Portion of rural deficit based on above revenue | \$ 4,760,666 | \$ 5,037,347 |