

1 Q. If Hydro had started a five-year phase out of the preferential and government
2 rates beginning January 1, 1997, what would be the impact on its deficit in
3 2002?

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5 A. If the phase out of preferential and government rates began on January 1,
6 1997, the deficit in 2002 would be approximately \$2.6 million less than what it
7 would otherwise have been.