

1 Q. In the Board's Decision for P.U.7 (No. 65), NLH was directed to produce an
2 evidentiary record involving the rural deficit. The record was to contain a
3 concise statement of other public policy initiatives being implemented by NLH
4 on behalf of Government along with the associated costs. Please indicate
5 where in the application these other public policy initiatives are addressed.
6
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8 A. The following are social or public policy objectives of Government that have
9 affected Hydro's actions or the nature of services provided and are included
10 in Hydro's 2004 test year revenue requirement.
11

12 (1) Rural Rates Policy:

- 13 • Customers served on the Island Interconnected Rural System
14 would be charged the same rates as Newfoundland Power's
15 customers
- 16 • Life line rate block for Isolated Rural customers of 700 kWh per
17 month
- 18 • Preferential rates for certain Rural customers
19

20 (2) Purchased power contracts from Non-Utility Generators.
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22 (3) Payment of Rural Deficit by Newfoundland Power and Labrador Rural
23 Interconnected customers.
24

25 The impacts of the Rural Rates Policy are included in the Rural Deficit. This
26 deficit, as well as the purchased power costs from Non-Utility Generators, is
27 included in Hydro's 2004 revenue requirement.