

1 Q. Further to the response to PUB-150 NLH (referenced in the response to CA-
2 145 NLH) provide a rate consistent with the rate structure recommended in
3 Exhibit RDG-2, but based on Option 3 (sic) treatment of the NP generation
4 credit. Also, please provide a comparison of the costs that would be allocated
5 under a revised cost of service study to each of NP, the Industrial Customers
6 and Rural Customers.

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9 A. Based on Option C treatment of the NP generation credit, the demand rate
10 would be virtually the same as the \$7.00 illustrative demand rate
11 recommended in Exhibit RDG-2. Also, the costs that would be allocated
12 under a revised cost study to each, NP, the Industrial Customers and Rural
13 Customers would be virtually the same under Option C as under Option A.
14 The reason costs and rates remain about the same can be seen by referring
15 to the "Costing" and "Billing Demand" columns for Options A and C in
16 Appendix 3 in Exhibit RDG-2 and noting that the demands used for costing
17 and for billing are virtually equal.