

1 Q. The discussion paper attached to Mr. Wells' Pre-filed Evidence on Hydro
2 Rural Deficit Issues for Minister of Mines and Energy, page 5 of 14, it is
3 noted that the current 700 kWh lifeline block captures 75% of domestic
4 consumption.

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6 (a) How much of the domestic consumption would be captured if the
7 lifeline block were alternatively set at 600 kWh, 800 kWh, and 900
8 kWh, and what would be the impact on the rural deficit?

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10 (b) For each of these scenarios, if the tail-block energy charge were
11 increased to marginal costs, for example, 25 cents/kWh, what would
12 be the impact on the rural deficit?

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15 A. (a) Based on the 2001 actuals, the lifeline block would capture 65%, 79%,
16 and 83% of domestic consumption if the lifeline block was set at 600
17 kWh, 800 kWh, and 900 kWh respectively. The change in the deficit
18 would be -\$52,000, \$43,000, and \$77,000.

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20 (b) If the tail-block energy charge were increased to .25 cents per kWh,
21 the impact on the rural deficit would be -\$439,000, -\$344,000, and
22 -\$310,000.