

1 Q. Indicate the factors that Hydro believes to support an energy only rate for NP
2 as being in the best interests of efficient and fair rates.

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5 A. In light of the direction received from the Board in P.U. 7 (2002-2003),
6 Hydro's analysis indicates that a demand and energy rate structure, rather
7 than an energy-only rate for NP is in the best interests of efficient and fair
8 rates. Refer also to Exhibit RDG-2, Section 6.