

1 Q. What amount of the Rural Deficit is allocated to the Labrador Interconnected
2 System? Please outline the methodology of the allocation of the Rural
3 Deficit.

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6 A. The total Rural Deficit allocated to the Labrador Interconnected System was
7 \$ 4,813,084, as shown on Line 17 of page10, Exhibit RDG-1, Rev.1.

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9 Pages 9 and 10 of Exhibit RDG-1 show the calculation of the allocation of the
10 Rural Deficit. The total deficit is classified to demand, energy and customer-
11 related based on the demand, energy and customer costs of Newfoundland
12 Power and Rural Labrador Interconnected customers. These classified
13 Deficit amounts are allocated to Newfoundland Power and Rural Labrador
14 Interconnected customers as follows:

15 Demand – Coincident Peak kW

16 Energy - MWh at generation

17 Customer – number of customers for Rural Labrador Interconnected,
18 and equivalent customers for Newfoundland Power specifically
19 assigned, or customer-related charges.