

**NLH-201 PUB (Re: Page 8, lines 2-3)**

***The evidence states, “While the precedent for Hydro is based on the load factor method, this is not the most common approach used today in ratemaking in North America”, and on lines 15-16: “The peak credit is most theoretically correct in our opinion, as it accounts for what type of costs would be incurred to serve the demand component alone. It is also widely used and is representative of what occurs in market prices in those jurisdictions where there is ample competition on a wholesale basis”.***

Response:

This statement was based on our firm’s experience with ratemaking and power supply contracting in many different jurisdictions. EES Consulting has not performed a specific survey of utilities in North America.