

1 Q. **Rate and other Impacts of the Settlement**

2 What parameters were used as guidelines in setting rates for the Labrador
3 Interconnected System for 2008-2011?

4

5

6 A. The common parameter was that 100% of the forecast CFB Goose Bay
7 revenue credit should be applied to the deficit in 2011.

8

9 For rate classes that have different rates in Labrador West compared with
10 Happy Valley/Goose Bay, additional guidelines were:

- 11 • Achieve target recovery levels in 2011;
- 12 • Achieve equalized rates in 2011;
- 13 • Phase-in increase to 2011 levels over the 2008 – 2011 period; and
- 14 • Do not exceed 10% increase annually.

15

16 For rate classes that have the same rates already in Labrador West
17 compared with Happy Valley/Goose Bay, the guideline was to achieve target
18 recovery levels in 2008.