

1 Q. **Re: 2017 GRA Compliance Application, Exhibit 5, Table 10, page 10 (p. 154 pdf)**

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3 Please explain the allocations to Labrador of each of the three deferrals mentioned. Is this  
4 solely the result of the Rural Deficit Allocation? If not, please explain.

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7 A. It is confirmed that the Labrador Allocation is based on the Rural Deficit Allocation.

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9 Consistent with the allocation methodology in the Rate Stabilization Plan, the portion of the  
10 costs allocated to Hydro Rural are reallocated between Newfoundland Power and Hydro  
11 Rural Labrador Interconnected customers on the same basis as the rural deficit. Also  
12 consistent with the established Rate Stabilization Plan methodology, Newfoundland and  
13 Labrador Hydro is proposing that the Labrador Allocation of approximately \$62,000 be  
14 written off to Newfoundland and Labrador Hydro's net income.