

1 **QUESTION:**

2 (page 12, lines 9 – 11) What percentage of the current average IC rate is 1 cent/kWh? How
3 accurately would IC rates reflect costs during the 5 year amortization period?

4 **RESPONSE:**

5 The average industrial rate from the 2007 COS, per NP-NLH-14, is 4.818 cents/kW.h. As a
6 proportion, 1 cent/kW.h is 21%.

7 Mr. P. Bowman cannot answer questions about the future level of rates. The level of IC base
8 rates from time to time would depend on Board approvals over this period, and presumably
9 would be based on reflecting the results of cost-of-service studies and other rate design criteria.