

1    Q.    **Re: Non-Regulated Operations Report, Exhibit 7**

2            Are the revenue earned and expenses incurred by NLH for Sheshatshiu included in  
3            determining NLH's regulated income?

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6    A.    The revenue earned and expenses incurred by Hydro for Sheshatshiu are included  
7            in determining Hydro's regulated income, with the exception of bad debts and  
8            interest on overdue accounts, which are not included in the regulated revenue  
9            requirement.