

1 Q. **Re: Rates Schedules, page 35 of 47.**

2 Please confirm that, in NLH's view, the Policies for Automatic Rate Changes set out
3 in paragraph 16 remain appropriate for setting rates in the Isolated Systems.

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6 A. The Government has provided direction on many of the policies for rate making in
7 the Isolated Systems. In the absence of further direction from the Government,
8 Hydro considers the Automatic Rate Change appropriate.