

1 Q. Re: Rates Schedules, page 10 of 47.

2 Please explain in detail the operation of the Rural Rate Alteration of the Rate
3 Stabilization Plan, and indicate which systems and customer classes it affects.

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6 A. The Rural Rate Alteration (RRA) component of the Rate Stabilization Plan is used to
7 account for the variations between actual results and Test Year Cost of Service
8 estimates for changes in rural rates. It is calculated monthly for all customers on
9 the Island Interconnected System (excluding Class 1.3 Burgeo School and Library),
10 L'Anse au Loup System, and Isolated Systems (excluding government). Please refer
11 to Section 1.4 of Hydro's proposed Rate Stabilization Plan rules on pages 10 and 11
12 of 47 in the Rate Schedules section in Hydro's GRA.