

1 Q. **Re: NLH cover letter dated July 30, 2013, p. 3, notes 3 and 4.**

2 Please explain in detail why, if domestic customers in coastal Labrador and
3 residential customers in the L'Anse au Loup System both pay the equivalent
4 electricity rates as Labrador Interconnected Customers for their basic electricity
5 needs, the average rate increase will be 20.4% for the former, and 4.5% for the
6 latter.

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9 A. Residential customers in coastal Labrador and L'Anse au Loup receive a government
10 rebate that reduces their rates for the Basic Customer Charge and Lifeline Block of
11 kWhs, to equal those of Labrador Interconnected residential customers. Over and
12 above these amounts, both systems have differing sets of rates which are charged.

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14 Please see the responses to PUB-NLH-107 and PUB-NLH-108 for detailed rate
15 change explanations.