

1    Q.    **Re: NLH Evidence, Section 4, page 4.10, lines 8-13**

2            Please describe any interaction between the deferred 15% rate increase and the  
3            Northern Strategic Plan subsidy. More specifically, please indicate the final rates to  
4            consumers who are eligible for the NSP subsidy before and after the 15% deferred  
5            rate increase.

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8    A.    The deferred 15% rate increase subsidy and the Northern Strategic Plan (NSP)  
9            subsidy are independent of one another, although both are provided by the  
10           Provincial Government. The NSP applies only to the domestic lifeline block and  
11           basic customer charge, and the 15% deferred rate increase applies to rates other  
12           than those to which the NSP applies. The 15% rate increase was approved in 2007,  
13           and has been deferred since that time. The rates for non-Government rate classes  
14           in the isolated system are based upon Newfoundland Power (NP) rates and these  
15           rates are only available after NP has completed its rate design.

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17           For a detailed rate change explanation, please see PUB-NLH-107.