

1 Q. **Re: IN-NLH-063, IN-NLH-065, IN-NLH-068, and IN-NLH-103, Att. 1**

2 “L’Anse au Loup has experienced strong electricity sales growth following the
3 introduction of lower electricity rates as a result of the interconnection of the
4 L’Anse au Loup system to Hydro Québec’s Lac Robertson system. Over one-third of
5 the homes on the L’Anse au Loup system now have electricity as the main heating
6 source whereas prior to the rate change very few homes were heated by electricity.
7 Given the cost to consumers of heating fuel compared to electricity costs, further
8 conversion to electric heat is anticipated and additional capital expenditure will
9 likely be required.”

10 Given that substantial amounts of diesel fuel are used in serving the L’Anse au Loup
11 system (IN-NLH-068) and that its revenue to cost ratio is only 0.45 (IN-NLH-065),
12 does Hydro still consider it appropriate that L’Anse au Loup rates not include any of
13 the dissuasive elements with respect to electric heating found in the Isolated
14 System rates? Why?

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17 A. Please see Hydro’s response to NP-NLH-171.