

1 Q. Rural deficit

2 Re: Amended Application, p. 4.7, note 5, p. 4.10, lines 4-7 and 10-11, and p.
3 4.14 lines 20-21

4 Preamble:

5 The revenue requirement approach to allocating the Rural Deficit is the
6 same one proposed by Hydro in 1993. At that time, the Board rejected this
7 approach, in favour of the one proposed by Mr. Baker.

8 Please elaborate on the factors which have changed since 1993 that could lead the
9 Board to come to a different conclusion that it did at that time.

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12 A. Please refer to the Section 4.3.1 of the Evidence in Hydro's Amended Application,
13 which provides a review of the reasonableness of the existing rural deficit allocation
14 methodology and the reasons for the proposed change.