

1     Q.     Further to response to Request for Information CA-NLH-066:  
2           The response states “Marginal cost principles were not explicitly incorporated in  
3           the Lummus report.” Were marginal cost principles implicitly incorporated in the  
4           Lummus report? If yes, please indentify each occurrence in which marginal cost  
5           principles were incorporated in the Cost of Service Study/Utility and Industrial Rate  
6           Design Report provided in Exhibit 9.

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9     A.     Lummus considered marginal price signals in order to maintain the price signal for  
10           Newfoundland Power, in particular, but did not believe that it was appropriate to  
11           do so at this time for the Industrial Customers.