

1    Q.    Please explain in full Mr. Greneman's view of how each of rate design and cost  
2           allocation should be considered in the assessment of alternatives for allocating the  
3           rural deficit. Please specifically address whether Mr. Greneman believes that rate  
4           design should be a separate consideration from cost allocation.

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7    A.    In assessing alternatives for allocating the rural deficit, Mr. Greneman does not  
8           believe that rate design and cost allocation should be considered either individually  
9           or together. Rather, total revenue requirement should be used to fairly allocate the  
10          rural deficit. Refer also to Hydro's response to NP-NLH-412.