

1 Q. Further to the response to CA-NLH-027 has Hydro considered other possible ways
2 of presenting the revenue to cost ratio to better reflect the impact of the inclusion
3 of the rural subsidy on the rates of the customers of Hydro and of Newfoundland
4 Power Inc.? If so, which possibilities have been considered?

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7 A. The revenue to cost ratio by definition reflects the ratio of revenues to actual costs
8 of serving the customer class. For example, as the rural deficit is included in the
9 revenues of NP the 2013 revenue to cost ratio is properly shown as 1.14.