

1 Q. Is it accurate to say that the ultimate burden of the entire rural deficit is paid by the
2 retail customers of NL Hydro in the Labrador Interconnected System and the retail
3 customers of NP, and that this is reflected in those customers' energy rates?

4

5

6 A. As shown on Exhibit 13, Schedule 1.2 the total amount of the rural deficit is \$61.6
7 million which is then reduced by the application of the CFB revenue credit of \$0.9
8 million resulting in a net rural deficit of \$60.7 million. In the 2013 Test Year the net
9 rural deficit is allocated as \$53.9 million to be collected in the electricity rates of NP
10 customers and \$6.8 million to be collected in the electricity rates of Rural Labrador
11 Interconnected Customers.