

1 Q. Further to response to Request for Information NP-NLH-035:
2 Does Lummus Consultants believe that a rate design approach that more closely
3 relates marginal price to marginal cost would be an effective approach to limit
4 growth of the rural deficit for the L'Anse Au Loup System? If not, why not?
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7 A. Yes, a marginal rate (above the lifeline block), closer to marginal cost, could act to
8 curb consumption and growth of the rural deficit for the L'Anse au Loup System.
9 Refer also to Hydro's response to NP-NLH-170.