

1 Q. (GRA Evidence page 4.10, lines 8- 13)

2 It is stated that through various Government directions a 15% rate increase
3 approved in the 2006 GRA was deferred for Isolated Rural Domestic and General
4 Service customers. Has the Government been covering the cost of this deferred
5 rate increase, and will it continue to cover the cost until an Order has been issued
6 by the Board following this GRA? If so, is it correct to say that deferring this 15%
7 rate increase until the Board issues its Order on this GRA will have no impact on
8 Hydro's rate of return on rate base?

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11 A. Please see Hydro's response to IR-CA-NLH-004.