

1 Q. List the rate classes that will have a rate increase as a result of the Interim Rates
2 Application and explain why Hydro is proposing to implement these rate increases
3 but proposing that other rate increases not be implemented.

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6 A. As shown in the response to IR-PUB-NLH-001, Hydro proposes rate increases for IC
7 and Government Departments in Isolated Rural Systems. Hydro notes that IC rate
8 increases began being phased in commencing September 1, 2013 and there will be
9 no change in the base rates that IC are paying as a result of this filing. Funding for
10 the IC January 1, 2014 base rate increases proposed in the Interim Rates Application
11 will come from the RSP Surplus as contemplated in the Government directives.
12 Refer also to the response to IR-PUB-NLH-003.