

1 Q. Further to the response to IR-CA-NLH-004, will the revenue not collected from
2 Domestic and General Service customers on the Island and Labrador Isolated
3 Systems due to the proposed continuation of the deferral of the 2007 rate increase
4 be fully funded by the Government subsidy paid to Hydro? In the answer provide
5 the forecast amount of this subsidy for 2014.

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8 A. No. The Government contributes \$400,000 annually with respect to the deferred
9 2007 rate increase for Hydro's Isolated Rural Customers, based upon the 2007 Test
10 Year estimate of the impact of this deferral. The difference between the revenue
11 shortfall and the Government contribution would be approximately \$150,000 if the
12 deferred rate increase continued for all of 2014.