

SIR-PUB-NLH-011
NLH 2013 Second Interim Rates Application

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1 Q. Please confirm that Hydro's proposal would result in a higher increase to Labrador
2 Interconnected customers than proposed in the general rate application.

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5 A. Hydro proposed a 23.3% increase to Labrador Interconnected Customers in the GRA
6 filing. Since the GRA filing, Hydro has proposed two options for a revised cost of
7 service approach for allocation of the Rural Deficit. Use of either one of the
8 approaches proposed by Hydro in its Rebuttal Evidence effectively eliminates the
9 proposed rate increase.

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11 It is estimated that reflecting a three-year recovery period of the 2014 forecast net
12 income shortfall in a 2015 cost of service study would incrementally increase
13 customer rates by approximately 2%.