

1 Q. **Re: NLH Evidence, Section 4, page 4.14, lines 10-13**

2 It is stated: "The 2013 revenue to cost ratio, including allocated rural deficit,
3 for Labrador Interconnected Customers is 1.44. The ratio exceeds 1.0 as
4 Labrador Interconnected Rural Customers pay a portion of the rural deficit in
5 addition to their system costs."

6 Please provide a detailed accounting of the rural deficit calculations, indicating the
7 amount attributable to Labrador Interconnected Customers.

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10 A. A detailed accounting of the rural deficit is outlined in Schedule 1.2, Page 1 of 6,
11 Lines 1 to 14. Column 1 shows the Rate Class, Column 5 details the incurrence and
12 proposed funding of the rural deficit, and Column 8 shows the Revenue to Cost
13 Coverage by Rate Class. The amount recovered from Labrador Interconnected
14 Customers is \$2,408,108 as shown on Line 5, Column 5. This amount is based on
15 Hydro's proposed Rural Deficit Allocation methodology described in Section 4.3.1 of
16 the Amended Application.