

1 Q. **Reference: CA-NLH-001; CA-NLH-117**

2 CA-NLH-117 states that Hydro does not target a specific RCC bandwidth for customer classes
3 affected by the Rural Deficit but does not address whether a reasonable range around unity may
4 be used for Industrial Customers. Please explain whether Hydro considers a reasonable range
5 around unity to be an appropriate rate design concept for Industrial Customers and, if so, why
6 no alternative Island Industrial rate design within such a range was considered.

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9 A. Newfoundland and Labrador Hydro (“Hydro”) considers that it is reasonable to target a revenue-
10 to-cost ratio of 1.0 for Island Industrial Customers. Please refer to Hydro’s response to
11 CA-NLH-283 of this proceeding for a fulsome discussion on the subject.