

1 Q. (Reference 2017 GRA Volume I, page 3.31) It is stated (lines 22 to 25) *“The Rural*  
2 *Deficit has grown from \$59.4 million as approved in the 2015 Test Year to a forecast*  
3 *of \$67.2 million in the 2018 Test Year and \$72.5 million in the 2019 Test Year,*  
4 *primarily due to increased operating and maintenance costs, fuel costs, and power*  
5 *purchases, as well as return.”* Has there been any discussions with Government  
6 concerning the growing burden of the rural deficit on the customers required to pay  
7 the deficit?

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10 A. Hydro has not engaged Government on this matter. Please refer to Hydro’s  
11 response to NP-NLH-062 for details on the cost savings initiatives Hydro has put in  
12 place to reduce the cost of serving rural customers.