

1 **Q. Rates and Regulations**

2 Page 5.32, lines 12-13 – Rate increases for Rural General Service Customers were
3 deferred from the 2007 General Rate application and Hydro initially proposed that
4 they be implemented with revised 2017 rates but the deferred increases were not
5 implemented in 2017. Does Hydro propose to implement the deferred increases
6 with the rate changes proposed for 2018 or 2019? If yes, what is the impact on
7 customers? If not, state Hydro’s policy with respect to the deferred increases and
8 the impact the continued deferral has on the rural subsidy.

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11 **A.** On June 28, 2017, the Provincial Government issued Order in Council (OC) OC2017-
12 193. This directive deferred rate increases for certain rural isolated customers until
13 July 1, 2018. On the same day, OC2017-194 was also issued, requiring Hydro to
14 absorb the shortfall created by the rate deferral as a result of OC2017-193.

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16 In the absence of further direction from Government, Hydro will be required to
17 increase the rates for the affected rural isolated customers effective July 1, 2018.

18 The rate impact on customers will be approximately 4.2% for Domestic Diesel,
19 14.6% for General Service Diesel 2.1, and 15.1% for General Service Diesel 2.2.

20 These potential rate increases are not reflected in the proposed rate change
21 percentages in Hydro’s 2017 GRA.

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23 This deferral has no impact on the rural deficit.