

1 Q. Should the Board discontinue the Rate Stabilization Plan in its present form,  
2 please provide the options which have been developed by Hydro to deal with  
3 fuel adjustment charges and the options developed by Hydro to deal with the  
4 balance in the rate stabilization account.

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6 A. Hydro has not developed any options in contemplation of the elimination of  
7 the RSP however, as outlined during the hearing, prior to implementation of  
8 the Rate Stabilization Plan (RSP) there existed the fuel adjustment charge  
9 and the water variation (or equalization) provision. (November 19

10 Transcripts, p. 13, l. 18 –23). These mechanisms, to deal with fuel and

11 hydraulic variances, would be the minimum that should be implemented

12 should the Board discontinue the RSP. However, as outlined during the

13 Hearing, Hydro recommends retaining the RSP. There are a number of

14 options the Board could choose to deal with the balance in the RSP, two of

15 which have been outlined in the supplementary evidence of Grant Thornton

16 LLP dated December 13, 2001, p. 9, l. 4 to 11.