

1 Q. Reference: IC-271 (Rev)

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3 a) Please confirm that the only RSP-related change to Hydro's 1992
4 costs and earnings are to 'Production and Transmission Energy'
5 related expenses.

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7 b) Please confirm that there is no RSP-related change to Hydro's costs
8 for 'Production Demand' or 'Transmission Demand' related expenses.

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11 A. Reference: IC-271 (Rev)

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13 a) For RSP purposes, 'Production and Transmission Energy' related
14 expenses are adjusted to include current year RSP cost activity. As
15 well, 1992 rural revenues are affected by the rural rate alteration.
16 Newfoundland Power's and Industrial Customer's revenue portion of
17 the load variation is directly assigned to the relevant customer class,
18 rather than being added to or subtracted from the 1992 COS earnings.

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20 b) There is no RSP-related change to Hydro's costs for 'Production
21 Demand' or 'Transmission Demand' related expenses.