

1 Q. In light of the huge build-up in the “New” RSP balance, has NLH considered
2 requesting that it be recovered over a longer period of time than the two-
3 years currently allocated for recovery?
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6 A. No. Hydro believes that the two year recovery period for the RSP
7 appropriately balances the competing objectives of smoothing the rate
8 increases and decreases that would arise due to changes in fuel prices and
9 hydraulic conditions, while maximizing intergenerational equity. The longer
10 the period over which costs are deferred and recovered, the more significant
11 the issue of intergenerational equity becomes.