

1 Q. Provide Hydro's position on the Industrial Customers' recommendation that
2 the load variation component of the new RSP should be terminated (page 54
3 of of (*sic*) prefiled testimony of C.F. Osler and P. Bowman).
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6 A. The load variation component of the RSP provides Hydro with an element of
7 revenue stability related to forecast test year sales. Revenue stability is also
8 an issue regarding implementation of a demand energy rate structure which
9 is currently being considered for Newfoundland Power. As part of the
10 mediation process, Hydro is willing to consider various alternatives involving
11 both of these related items.