

1 Q. With regard to the report entitled *Review of the Operation of the Rate*  
2 *Stabilization Plan* dated June 30, 2006 (page 19), Hydro concludes that it is  
3 willing to extend the recovery period for the historical RSP. On what basis  
4 does Hydro reach this conclusion, and how is this conclusion consistent with  
5 the intent of the changes made to the RSP in recent years?  
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8 A. The changes made to the RSP in recent years have attempted to gain a  
9 measure of control over outstanding customer balances, while at the same  
10 time giving due consideration to customer impacts.  
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12 As stated in the report, Hydro believes the fuel rider and the one-year  
13 collection period for current plan activity will keep current year customer plan  
14 balances in check. This improved management of current plan balances  
15 provides some flexibility to consider concerns over high electricity costs by  
16 possibly extending the historical plan recovery.