

1 Q. With regard to the response to CA 11 NLH, who will take on the risk if the IC
2 goes into default and is unable to pay; i.e., Hydro, remaining ICs, all
3 ratepayers, taxpayers or someone else? Who is paying for the historical RSP
4 plan balance following closure of the Abitibi mill in Stephenville?

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7 A. As stated in CA 11 NLH, Hydro envisions that individual IC RSP plans would
8 entail IC contractual obligations which would assign the risk of default to the
9 individual IC. The current RSP regulations, as they apply to the historical
10 RSP plan balance, assigns responsibility for payment of the balance to the
11 remaining customers in the class in the event that one customer exits the
12 system. However, on October 5, 2006, the Minister of Natural Resources
13 announced that Government would contribute \$10 million to the IC historical
14 plan to ensure the operations of the remaining four ICs were not adversely
15 affected by the historical RSP balance attributable to ACI Stephenville.