

1       **Q. With respect to the use of the full hydraulic record and adjustments to the**  
2       **hydrological record referenced on page 31 lines 1 to 24, please confirm that Hydro**  
3       **has carried out the changes as ordered in P.U. 14 (2004). Please also confirm that**  
4       **any variation from the hydraulic production forecast is an input into the Rate**  
5       **Stabilization Plan so that while the base rate is affected by the choice of a**  
6       **hydrological record methodology, the energy rates finally paid by customers reflect**  
7       **the actual hydraulic production.**

8  
9       **A.**

- 10           a) Hydro's compliance with the requirements of P.U. 14 (2004) in this regard is  
11           noted at page 10 lines 4 to 6 of the Grant Thornton report.  
12  
13           b) Yes we confirm that this is how the Rate Stabilization Plan operates. The  
14           variation between actual hydraulic production in any given year and the test year  
15           hydraulic production flows through the Rate Stabilization Plan.  
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