

1 Q. Does Hydro agree it is appropriate to refund or charge any material balance
2 in the Hydraulic Production Variation component of the RSP to the customers
3 responsible for the balance within a reasonable period of time? If not, why
4 not?

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7 A. Under the existing provision of the Hydraulic Production Variation, customers
8 are assigned 25% of the life-to-date hydraulic variation activity, plus 100% of
9 the current year financing charges each December. At that time, customers
10 are responsible for their proportionate share of the assignment, which is
11 collected the following year. Prior to the annual customer assignment, there
12 is no customer responsibility for hydraulic production variations.

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14 Hydro believes that the existing one-year collection or repayment period of
15 the amounts for which customers are responsible is reasonable.