

1 Q. **Reference: Grant Thornton Financial Consultants Report, dated August 23, 2019.**

2 Further to PUB-NLH-008, will the one-time adjustment require a RSP rule change? If so,  
3 please provide the proposed rule change for the Board's approval.  
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6 A. Corrections in Rate Stabilization Plan ("RSP") balances for data input errors, such as the RSP  
7 interest error being addressed in this circumstance, do not require an RSP rule change to  
8 enable the correction as the RSP adjustment is simply correcting the RSP balances to  
9 comply with the approved RSP rules.<sup>1</sup> The one-time adjustment will result in the cumulative  
10 RSP Current Plan balances being calculated in accordance with the approved RSP rules.  
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12 In cases where such adjustments are required, Newfoundland and Labrador Hydro notes  
13 the adjustments in the RSP Report to inform the Board of Commissioners of Public Utilities  
14 and the customers of the correction. For example, the production at Bay d'Espoir was  
15 overstated by 9,559,920 kWh in December 2018 due to a meter reading error. In the Rate  
16 Stabilization Report, filed as Appendix C, in the "Quarterly Regulatory Report," submitted to  
17 the Board of Commissioners of Public Utilities on May 15, 2019, there was an adjustment  
18 made to the RSP Hydraulic Variation Account balance in January 2019 to reverse the impact  
19 of the meter reading error; the basis for the adjustment was explained in the RSP Report.

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<sup>1</sup> The one-time adjustment will correct a data input error which resulted in RSP interest being calculated incorrectly for the first quarter of 2019 based on the 2019 Test Year.