

1 **QUESTION:**

2 (page 12, lines 33 – 35) With regard to the statement “The current situation, while providing
3 some quantitative benefit to the remaining IC customers, does not reflect proper utility regulation
4 and risk sharing”.

5 When would it be appropriate for the Board to remedy this situation and why?

6 Is it appropriate for the Board to remedy the situation in its order relating to this Application, and
7 if not, why not?

8 Would it be fair to continue current “interim” rates until the RSP balance becomes small enough
9 to impact rates by less than, for example, +/- 3%? If not, why not?

10 **RESPONSE:**

11 As noted in Mr. P. Bowman’s evidence, the appropriate time to address the elimination of the
12 load variation component of the RSP would be at the next General Rate Application.

13 No. In Mr. P. Bowman’s view, the present application, which relates solely to IC rates, is not the
14 appropriate time to address the termination of the load forecast variation for all customers classes
15 from the RSP including classes who are not presently the subject of Hydro’s requested approvals
16 in this proceeding.

17 While the premise of the question is not clear as to how the RSP balance will become “small
18 enough”, it would not be appropriate nor fair to IC customers to continue interim rates. The
19 status of interim rates is not appropriately used over long periods of time, including the present
20 situation since 2007.