

1 **QUESTION:**

2 (page 9, lines 8 – 13) Mr. Bowman states “The Board in 2001 was faced with arguments from
3 the IC group that their plan, as it then stood, included amounts charged to the IC group that were
4 inconsistent with stated purpose and intent of the plan, and of normal utility operation. In
5 particular, the IC balance included costs reallocated to the IC plan from the NP plan that had
6 nothing to do with changes in Hydro’s costs, and the IC plan included ongoing amounts being
7 charged related to the much earlier closer of two previous industrial customers. The IC argued
8 that these amounts should be excluded from the IC plan. The Board did not so order.” What
9 justification did the Board provide for not ordering consistent with IC arguments in this case?

10 **RESPONSE:**

11 The Board indicated that at times in the past the IC “had sufficient opportunity to question any
12 aspect of the RSP”, and that the issue would not re-occur as the approved “change to the
13 operation of the RSP will address the concern of the IC regarding the allocation of balances in
14 the plan”. Consequently the Board ordered that the IC plan was to include these previous costs,
15 and the amounts were therefore paid by the IC.