

**Q. IC - CA 2 Proposal for Disbursement of Load Variation Transfers**

(a) Please elaborate on Mr. Bowman's statement that "A proposal for disbursement of these funds has been on the record since 2006" (page 4, line 22, pre-filed evidence of C. Douglas Bowman).

**A.**

Hydro makes this proposal on page 16 of its June 30, 2006 report entitled "*Review of the Operation of the Rate Stabilization Plan*". Specifically, on page 28 of the report (point 4) Hydro states "Load Variation: Hydro intends to propose a change to the customer allocation for the load variation provision of the RSP such that both the revenue and the fuel components of the load variation are allocated between NP and IC based on customer energy ratios". Hydro filed the report with the Board on June 30, 2006 and made this recommendation in its 2006 GRA dated August 2006. Specifically, on page 8 of the Application Hydro requests that the Board make an order as follows (point 11): "pursuant to sections 70 and 71 of the Act, approving as of January 1, 2007, that the changes to the Rate Stabilization Plan proposed in the report filed by Hydro on June 30, 2006, the Review of the Operation of the Rate Stabilization Plan."