

1    **TOPIC:**       **TESTIMONY REFERENCES**

2    **PREAMBLE:**

3    For the current production shutdowns in the pulp and paper industry, forecast sales to the IC  
4    class for 2009 and 2010 are approximately 50% of 2007 test year. The RSP transfers to the load  
5    variation component are based upon a Holyrood mill rate of 8.805¢ per kWh and the Industrial  
6    energy mill rate is 3.676¢ per kWh (a difference of 5.129¢ per kWh to compute the load  
7    variation transfer).

8    **QUESTION:**

9    Given the magnitude of the difference in load variations (1.7% vs. 50%) and the magnitude of  
10   the differences between the test year fuel cost and the energy mill rate (i.e., 0.101¢ per kWh vs.  
11   5.129¢ per kWh), does Mr. Bowman consider the IC class customer rate impacts of the RSP load  
12   variation transfers resulting from the customer shutdowns of Albright and Wilson and Royal Oak  
13   Mines comparable to the potential customer rate impacts resulting from load variations being  
14   considered in the current application?

15   **RESPONSE:**

16   No. Please see NP-IC-13 which notes the net effect of the earlier mine closures at approximately  
17   \$0.4-\$0.5 million per year, for 5-6 years. Mr. P. Bowman noted the similarity in principle (that  
18   the customer classes have previously been at risk for each other's loads *within* the class, but,  
19   since 2003, not *among* the classes), Mr. P. Bowman was not suggesting similarity in magnitude.