

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

2    **PREAMBLE:**

3    Page 7: *“The current balance in the RSP, similar to many other times in the past with regard to*  
4    *IC RSP balances, represents a future liability or asset that IC customers have an established,*  
5    *approved and well-founded expectation of being fulfilled.”*

6    **QUESTION:**

7    Given that the balance in the RSP since the end of 2007 has accumulated under an IC RSP  
8    Adjustment that was approved on an interim basis, please explain the basis for the conclusion  
9    that the current IC RSP balance has been approved.

10   **RESPONSE:**

11   The cited quote does not indicate the “balance” is “approved” per se. However, the present RSP  
12   balance reflects RSP accounting methods contained in a Rate Schedule that has been approved  
13   by the Board in both the 2003 and 2006 GRAs. The more recent interim approvals relate to the  
14   riders charged/credited to IC customers. Hydro has consistently applied the approved RSP  
15   methods in calculating the RSP balances throughout this period, even if the specific rider/rebate  
16   to be applied to the IC was declared interim.