

1 Q. **Re: Proposed RSP Changes**

2 On page 4 and 5 of Mr. Greneman's evidence, he states:

3 "In response to PUB-NLH-24 in this proceeding, Hydro indicated that although it has
4 not developed any specific proposals, in light of the change in markets and fuel
5 prices the RSP may need to be substantially modified or replaced and that the
6 Board may consider ordering development of policies and procedures that reflect:

- 7 • NP being invoiced monthly by Hydro for costs incurred related to fuel and, in
8 turn, NP dealing directly with their customers on matters of retail price signal
9 and customer billing and payment options;
10 • Hydro dealing directly with its IC and giving consideration to such matters as
11 price signal, and payment options, as well as having RSP amounts become
12 accounts receivable or accounts payable from/to each IC each month rather
13 than Industrial class RSP balances which are not tied directly to each customer;
14 and
15 • Hydro developing a proposal regarding hydraulic stabilization."

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17 Does Hydro agree that completion of the RSP Review initiated in 2007, in
18 accordance with Order No. P.U. 8 (2007) and the 2006 Hydro GRA Settlement
19 Agreement, is the appropriate forum to propose modifications to the policies and
20 procedures of the RSP such as those set out in the cited passage? If not, why not?
21 Does Hydro believe that further direction of the Board is required with respect to
22 the RSP review?

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25 A. Please see response to NP-NLH-23.