

1 Q. Should the Board decide that the forecast credit balance of the Industrial
2 Customers Rate Stabilization Plan should be dealt with as of December 31, 2009,
3 what proposals does Hydro have for the allocation of this balance?
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6 A. Hydro considers that its conclusion with regard to the load variation component of
7 the RSP, which was outlined in its 2006 report "Review of the Operation of the Rate
8 Stabilization Plan", is a fairer method to allocate the load variation balance of the
9 Plan. Specifically, Hydro recommends that the net load variation should be
10 allocated between Newfoundland Power and the Industrial Customers based on
11 customer energy ratios. The allocation of the load variation in this manner more
12 closely aligns with the Cost of Service treatment and for this reason, Hydro
13 considers this a fairer allocation method.
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15 Should the Board decide that the forecast credit balance of the Industrial
16 Customers Rate Stabilization Plan should be dealt with as of December 31, 2009,
17 the Board may wish to consider this method of allocation for the balance in
18 Industrial Customers' RSP related to the load variation component.