

1 Q. **Reference: Application for Approval of RSP Rules and Refunds to**  
2 **Newfoundland Power and Hydro Rural Customers**

3 Does Hydro's Surplus Refund Plan propose to transfer funds to Newfoundland  
4 Power or to Newfoundland Power's customers? Please provide a detailed  
5 explanation of the cash flows associated with Hydro's Surplus Refund Plan.  
6 (Application, Paragraph 4a)

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9 A. Hydro proposes to transfer funds to Newfoundland Power. Hydro anticipates that a  
10 reasonable arrangement can be made with NP with respect to cash flows associated  
11 with refunding the NP RSP Surplus to NP customers. One approach that Hydro  
12 proposes to be considered is an arrangement whereby, as NP processes refunds to  
13 its customers' accounts, NP would invoice Hydro for the total amount credited on a  
14 daily basis if desired, and a prompt cash transfer can be made by Hydro from the NP  
15 RSP Surplus account to NP. Any residual balance in Hydro's NP RSP Surplus may be  
16 transferred to the NP RSP Balance upon completion of the refund process.