

1 Q. With regard to Item 13, page 5, please confirm that notwithstanding that Hydro is  
2 not seeking any interim increase to the Specifically Assigned Charges ("SAC") as  
3 proposed in the GRA, Hydro continues to seek implementation of changes to SAC  
4 for the 2015 Test Year, and that any such changes approved are proposed by Hydro  
5 to be retroactive to January 1, 2015 (if this is not accurate, please indicate the  
6 effective date sought). If this is confirmed, please indicate whether Hydro is  
7 projecting that any portion of the SAC impact is to be addressed by way of the IC  
8 RSP Surplus funding or whether customers will instead be required to pay a one-  
9 time retroactive amount (back to January 1, 2015), related to each customers'  
10 changed SAC specifically, on conclusion of the GRA?

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13 A. Hydro is proposing that the SAC approved in the final GRA Order would become  
14 effective for determining the revenue requirement effective January 1, 2015. Hydro  
15 believes it is appropriate to collect the increased charges from each respective  
16 Island Industrial Customer through a surcharge. The term for which the surcharge  
17 would apply would depend on the magnitude of the required recovery.

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19 Hydro does not support the use of the RSP Surplus to recover changes in SAC due to  
20 the wide range of differences by customer in the proposed SAC relative to the  
21 existing SAC.