

1 Q. Please provide a detailed description, along with all supporting calculations, of the  
2 proposed 3 year phase-in of specifically assigned charges to the Island Industrial  
3 Customers.  
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7 A. [ ]

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9 In the Amended Application, Hydro is proposing to implement 2015 Test Year base  
10 Industrial Customers rates (i.e., demand, energy, and specifically assigned charges)  
11 effective January 1, 2015 with an offsetting RSP Surplus Credit Adjustment. This  
12 RSP Surplus Credit Adjustment will use funds from the IC RSP Surplus to phase-in  
13 base rates for the period January 1, 2015 to August 31, 2016.

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15 For the period January 1, 2015 to August 31, 2015, it is proposed that 85% of the  
16 base rate increase will be offset by the RSP Surplus Credit Adjustment. For the  
17 period September 1, 2015 to August 31, 2016, it is proposed that 35% of the base  
18 rate increase will be offset by the RSP Surplus Credit Adjustment. The RSP Surplus  
19 Credit Adjustment will be set to zero September 1, 2016 completing the phase-in of  
20 2015 Test Year base rates.

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22 Please refer to Section 4.6 of the Evidence to the Amended Application.