

1    Q.    **Re: NLH Evidence, Section 3, page 3.28, lines 3-22.**

2            Please indicate in what ways, if any, the application of the RSP and the disposition  
3            of the RSP surplus affect a) Labrador interconnected customers, and b) Labrador  
4            isolated customers, directly or indirectly.

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7    A.    The application of the RSP has no effect on Labrador Interconnected customers. It  
8            does, however, impact Labrador Isolated customers. The annual July 1 RSP  
9            Adjustment applied to NP, and in turn its customers, automatically flows through to  
10           the majority of Hydro's rural customers. Please refer to Section 16 "Policies for  
11           Automatic Rate Changes" of the Rate Schedules filed as part of the evidence.

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13           It is anticipated that the disposition of the RSP Surplus will impact Hydro customers  
14           whose rates are based on NP rates, including Labrador Isolated, in the form of a  
15           refund and not an electricity rate adjustment (per Order in Council (OC) OC2013-  
16           089 dated April 4, 2013, as amended by OC2013-207 dated July 16, 2013). A final  
17           decision on the disposition of the RSP Surplus is within the jurisdiction of the Board.