

1 **Q. (Page 15, Lines 20 to 22): Please identify options that may be available to the**
2 **Board to address the concerns with respect to rate volatility.**

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4 A. Mr. Doug Bowman proposes that the Parties develop during negotiations relating
5 to the 2013 GRA a methodology for using the RSP balances to mitigate upcoming rate
6 increases. The balances that have built up in the RSP might be distributed to the RSP
7 accounts of the ICs and NP in a manner whereby amounts and timing vary to coincide
8 with upcoming rate increases. For example, NP rates are forecast to increase under the
9 proposed RSP by 17.7% in 2015 (NP-NLH-32 Revision 1). A larger portion of the NP
10 portion of the RSP balance might be distributed to NP customers through the annual RSP
11 adjustment in 2015 to offset a portion of this rate increase.