

1 **Q. Does Mr. Bowman believe, given the impending Labrador-Island**
2 **interconnection, that Hydro should not make dramatic changes to the RSP at this**
3 **time?**
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5 **A.** Mr. Doug Bowman has never been in favour of the RSP design because he believes it
6 does not meet the design objectives. The current situation with the Island Industrial
7 Customer rates collecting far less than the cost of supply is in part owing to the poor
8 design of the RSP. In his Pre-filed Evidence, he reluctantly recommends that the Board
9 accept Hydro's proposal to continue with the current design with the modification that
10 the load variation component be allocated to customers on the basis of energy ratios
11 (page 14, lines 10 to 12). He makes this recommendation in part because he believes the
12 RSP will be terminated following commissioning of the Labrador-Island interconnection,
13 but primarily because there will be substantial increases in Island Industrial Customer
14 load in the coming years and Hydro has limited ability to forecast how quickly this new
15 load will materialize.
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